Form 3160-3
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RIG SKID

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. LEASE SERIAL No: UTU-77855

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. IF UNIT or CA AGREEMENT NAME AND NO.: Icelander

1a. Type of Work: [ ] DRILL [X] REENTER

1b. [X] OIL [ ] GAS [ ] OTHER [X] Single Zone [ ] Multiple Zone

8. LEASE NAME AND WELL NO.: ARCO CHAMBERS #1-AX

2. NAME OF OPERATOR: ALKER EXPLORATION LLC
Energy of the Rockies LLC

9. API WELL NO. 43-007-31518

3a. ADDRESS OF OPERATOR: 97 North Main Street, Manti, Utah 84642

3b. PHONE: 435.835.4248 Office, 435.340.0557 Mobil

10. FIELD AND POOL, OR EXPLORAORY: EXPLORATORY

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements*)
At Surface: 2589 FNL & 1582 FEL Horizontal
BHL 2508' FNL, 2030' FWL
At proposed prod. Zone: Moenkopi [redacted]

11. SEC., T.R.M. or BLK AND SURVEY OR AREA: 28-T15S-R13E

14. Distance in miles and direction from nearest town or post office*: +/- 7 MILES SW OF EAST CARBON CITY, UTAH

12. County or Parish: CARBON

13. State: Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST property or lease line, ft. (Also to nearest drig, unit line, if any)	16. No. of acres in lease	17. Spacing Unit dedicated to this well
Lease 1500 ft.	6798	Not Assigned
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	**19. Proposed Depth**	**20. BLM/BIA Bond No. on file**
+/-7 miles from EDP #1	4500 ft	UTB-0000341
21. Elevations (Show whether DF, KDB, RT,GL, etc.)	**22. Approximate date work will start***	**23. Estimated duration**
5452 ft, GL	August 15th, 2008	30 days

24. Attachments

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The following, completed in accordance with the requirements of Onshore Oil and Gas No.1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM

25. Signiture	Name (Printed/Type)	Date
Steven J. Lund	Steven J. Lund	2/4/2010
Title: Petroleum Engineer		
Approved by (signature)	Name (Printed/Typed): BRADLEY G. HILL ENVIRONMENTAL MANAGER	Date: 02-11-10
Title	Office: **Federal Approval of this Action is Necessary**	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly, and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

RECEIVED
FEB 08 2010
DIV. OF OIL, GAS & MINING

Surf 546199 X
4371268 Y
39.491660
-110.462752

BHL 545682X
4371292 Y
39.491905
-110.468758

Form 3160-5
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. LEASE DESIGNATION AND SERIAL NUMBER:	UTU-77855
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
7. UNIT or CA AGREEMENT NAME:	Icelander
1. TYPE OF WELL: OIL [X] GAS [ ] OTHER [ ]	8. WELL NAME and NUMBER: Arco Chambers #1-AX
2. NAME OF OPERATOR: Energy of the Rockies Alker Exploration LLC	9. API NUMBER: 0
3a. ADDRESS OF OPERATOR: 97 North Main Street #2 (P.O. Box 87) CITY Manti STATE UT ZIP ##	3b. PHONE (435) 835-424 Office 435.340.0557 Mobil
	10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL: SWNE FOOTAGE AT SURFACE: 2589' FNL & 1582 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: 28-T15S-13E	11. County or Parish, State: Carbon

12. **CHECK APPROPRIATE BOX (ES) TO INDICATE NATURE OF NOTICE, REPORT, OR DATA**

TYPE OF SUBMISSION

[ ] Notice of Intent	[ ] ACIDIZE	[ ] DEEPEN	[ ] PRODUCTION (START/RESUME)	[ ] WATER SHUT-OFF
[X] Subsequent Report	[ ] ALTER CASING	[ ] FRACTURE TREAT	[ ] RECLAMATION	[ ] Well Integrity
[ ] Final Abandonment Notice	[ ] CASING REPAIR	[ ] NEW CONSTRUCTION	[ ] RECOMPLETE	[X] OTHER Spudd well Set New Surface Casing
	[X] CHANGE PLANS	[ ] PLUG AND ABANDON	[ ] Temporarily Abandon	
	[ ] Convert to Injection	[ ] PLUG BACK	[ ] WATER DISPOSAL	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

* **Perform a mechanical integrity test**

The casing failed on the MIT for the Arco Chambers #1-A (API# 43-007-30099) causing a rig skid to this new location
Attached please find the following for the ARCO Chambers #1-AX:
- New plat for the new well bore (50' North and 4' West of old well bore)
- Drilling Prognosis
- Bond Number is UTB-0000341

BHL will remain the same at 2508' FNL and 2030' FWL

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14. I herby certify that the foregoing is true and correct

NAME (Printed/Typed) Steven J. Lund	Title Engineer	RECEIVED FEB 08 2010
SIGNATURE	DATE 1/31/2010	DIV. OF OIL, GAS & MINING

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved by		
Conditions of approval, if any are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon	Title	Date
	Office	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United State any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

*U.S. GOVERNMENT PRINTING OFFICE 2001-773 001/46035

ENERGY OF THE ROCKIES (EOR) LLC

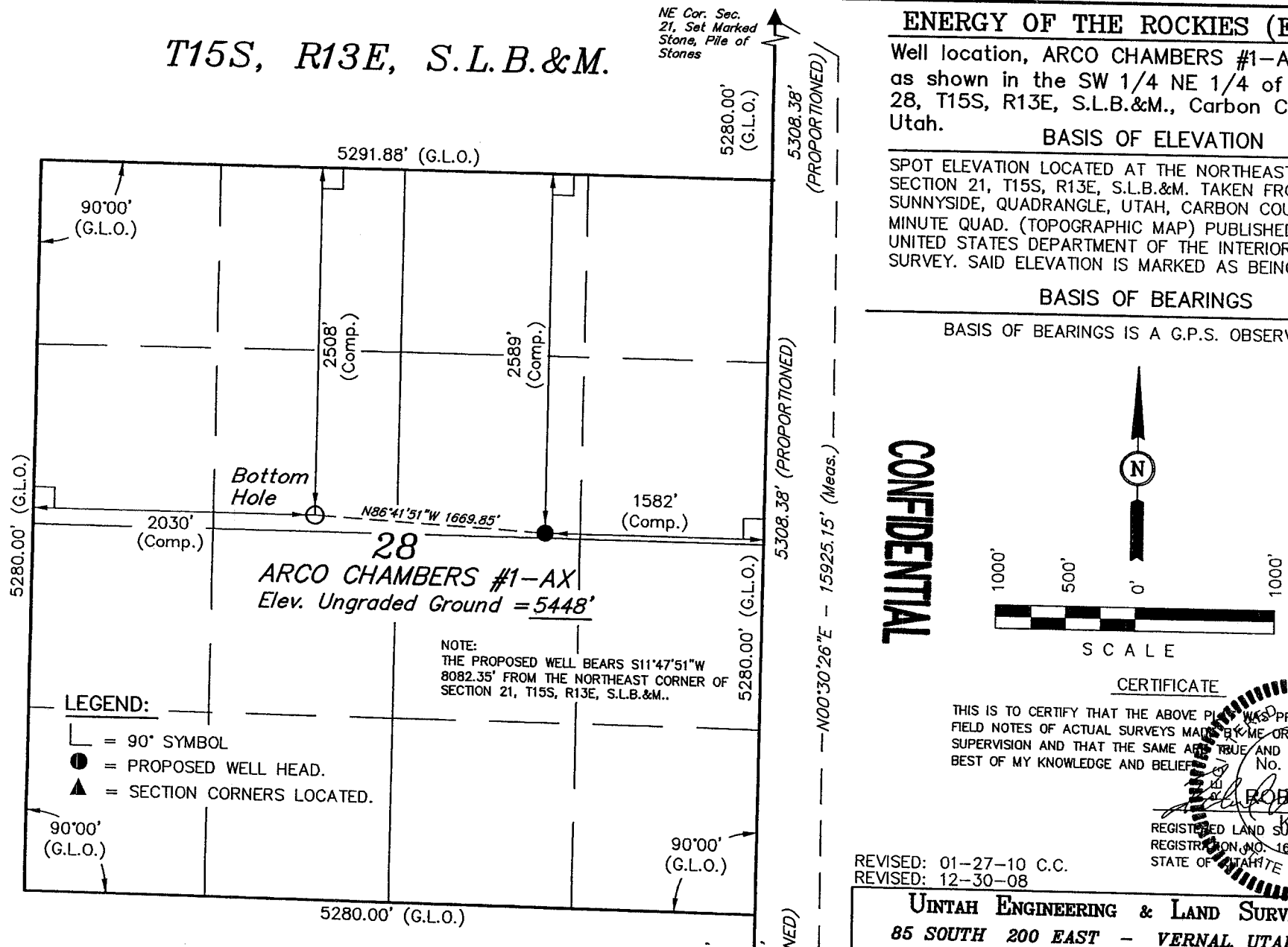
Well location, ARCO CHAMBERS #1-AX, located as shown in the SW 1/4 NE 1/4 of Section 28, T15S, R13E, S.L.B.&M., Carbon County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION LOCATED AT THE NORTHEAST CORNER OF SECTION 21, T15S, R13E, S.L.B.&M. TAKEN FROM THE SUNNYSIDE, QUADRANGLE, UTAH, CARBON COUNTY 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5573 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



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CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

REVISED: 01-27-10 C.C.
REVISED: 12-30-08

AUTONOMOUS NAD 83 (TARGET BOTTOM HOLE)	AUTONOMOUS NAD 83 (SURFACE LOCATION)
LATITUDE = 39°29'30.41" (39.491781)	LATITUDE = 39°29'29.43" (39.491508)
LONGITUDE = 110°28'09.47" (110.469297)	LONGITUDE = 110°27'48.17" (110.463381)
AUTONOMOUS NAD 27 (TARGET BOTTOM HOLE)	**AUTONOMOUS NAD 27 (SURFACE LOCATION)**
LATITUDE = 39°29'30.53" (39.491814)	LATITUDE = 39°29'29.55" (39.491542)
LONGITUDE = 110°28'06.92" (110.468589)	LONGITUDE = 110°27'45.62" (110.462672)

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE: 1" = 1000'	DATE SURVEYED: 10-08-08	DATE DRAWN: 10-22-08
PARTY: T.A. T.P. S.L.	REFERENCES: G.L.O. PLAT	
WEATHER: HOT	FILE: ENERGY OF THE ROCKIES (EOR) LLC	

ALKER EXPLORATION LLC / ENERGY OF THE ROCKIES LLC
Federal Lease #: UTU-77855
Arco Chambers #1-AX
SWNE, Section 28-Township 15S-Range 13E
Carbon County, Utah

DRILLING PROGNOSIS/Onshore order #1

NOTE: In the process of testing the surface casing on the Arco Chambers #1 for re-entry the casing was noted to be extremely corroded. A mechanical integrity test was conducted by pressuring up on the casing. The directive was to pressure up to 1000 psig and hold for 10 minutes. The surface casing failed at 750 psig and flowed at about 0.5 bbl/minute. The well location will be moved 50 feet north and 4 feet west of its current position. The new drilling prognosis is as follows:

1. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS

FORMATION	TOP (TVD)	SUB SURFACE
Entrada	2,365'	+ 3,105'
Carmel	2,755'	+ 2,715'
Navajo	3,020'	+ 2,450'
Kayenta	3,325'	+ 2,145'
Wingate	3,386'	+ 2,084'
Chinle	3,718'	+ 1,752'
Shinarump	3,958'	+ 1,512'
Moenkopi	4,014'	+ 1,456'

2. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS, OR MINERAL FORMATIONS

FORMATION	TOP	CONTENTS
Moenkopi	4,136'	Oil/Gas/Water (Possible)

3. PRESSURE CONTROL EQUIPMENT (Schematic Attached - Figure 1)

A) Type: 11" x 3,000 psi WP double-gate BOP and 11" x 3,000 psi WP annular BOP with hydraulic closing unit. 9-5/8" x 11" x 3,000 psi WP slip-on welded casing head and 11" x 7-1/16" x 3,000 psi WP tubing head.

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The blowout preventer will be equipped as follows:

1) One set of blind rams.
2) One set of pipe rams.
3) Drilling spool with two side outlets (choke side: 3" minimum and kill side: 2" minimum).
4) Kill line: Two-inch minimum.
5) Two kill line valves, one of which will be a check valve (two-inch
6) Choke line: Three-inch minimum.
7) Two choke line valves: Three-inch minimum.
8) One manually operated choke: Three-inch minimum.
9) Pressure gauge on choke manifold.
10) Upper kelly cock with handle readily available.
11) Full opening internal blowout preventer or drill pipe safety valve able to fit all connections.
12) Fillup line to be located above uppermost preventer.

B) Pressure Rating: 3,000 psi.

C) Testing Procedure:

At a minimum, the BOP, choke manifold, and all related equipment will be pressure tested to the approved working pressure of the BOP stack (if isolated from the surface casing by means of a test plug) or to 70% of the internal yield strength of the surface casing (if not isolated from the surface casing by means of a test plug). Pressure will be maintained for a period of at least ten minutes or until requirements of the test are met, whichever is longer.

At a minimum, this pressure test will be performed:

1) When the BOP is initially installed.
2) Whenever any seal subject to test pressure is broken.
3) Following related repairs.
4) At thirty-day intervals.

In addition to the above, the pipe rams will be activated daily, and the blind rams will be activated each trip (but not more frequently than once each day). All BOP tests and drills will be recorded in the IADC Driller's Log (tour sheets).

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D) Choke Manifold Equipment:

All choke lines will be straight lines, unless turns use tee-blocks, or are targeted with running tees. These lines will be anchored to prevent whip and vibration.

E) Accumulator:

The accumulator will have sufficient capacity to close all rams (plus the annular preventer, if applicable) and retain a minimum of 200 psi above the precharge pressure without the use of the closing-unit pumps. The fluid reservoir capacity will be double the accumulator capacity and the fluid level will be maintained at the manufacturer's recommendations. The BOP system will have two independent power sources to close the preventers. Nitrogen bottles (three minimum) will be considered one of these sources and will maintain a charge equal to the manufacturer's specifications.

The accumulator precharge pressure test will be conducted prior to connecting the closing unit to the BOP stack and at least once every six months thereafter. The accumulator pressure will be corrected if the measured precharge pressure is found to be above or below the maximum or minimum limits as specified on *Onshore Oil and Gas Order Number 2.*

F) Miscellaneous Information:

The blowout preventer and related pressure-control equipment will be installed, tested, and maintained in compliance with the specifications in and requirements of *Onshore Oil and Gas Order Number 2.* The choke manifold and BOP extension rods will be located outside the rig sub-structure. The hydraulic BOP closing unit will be located at least twenty-five feet from the wellhead, but will be readily accessible to the driller. Exact locations and configurations of the hydraulic BOP closing unit will depend upon the particular drilling rig contracted to drill this hole.

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4. THE PROPOSED CASING AND CEMENTING PROGRAM

A) Casing Program (Surface casing was run when well was originally drilled):

SIZE	INTERVAL	LENGTH	DESCRIPTION
9-5/8"	0' – 600'	600'	36#, J-55, STC
7"	0' – 4,323'	4,323'	20#, J-55, LTC

B) Cementing Program:

CASING/HOLE SIZE	CEMENT SLURRY	SX	PPG	YIELD
14" Conductor				
9 5/8" – 12 1/4"	Class 'G	245	15.8	1.15
CASING/HOLE SIZE	**CEMENT SLURRY**	**SX**	**PPG**	**YIELD**
7" – 8 3/4"	Class 'G' + fluid loss additive and retarder as required	400	15.8	1.15

5. MUD PROGRAM:

Well will be drilled with brine water and treated with bactericide. If bentonite mud is used it will be mixed with fresh water prior to adding KCL. If attapulgite is used it will be mixed after the 2% KCL solution is achieved.

INTERVAL	WEIGHT (PPG)	VISCOSITY (SEC)	WL (CCS)
1,295' to 4,323'	8.5-9.5 ppg	30-60 sec	10-20 ccs

Prior to drilling out surface casing, mud-up with low-solids, non-dispersed mud system utilizing gel (10-12 ppb), caustic soda, and PHPA polymer (1/2 to ½ ppb). Treat out cement contamination with soda ash and sodium bicarbonate. Mud weight should be dictated by gas concentration to maintain nearly balanced conditions. Keep trip speeds down to reduce surge-swab pressure. Keep hole full at all times. Monitor pit volume constantly as lost circulation should be expected at all times. Sweep hole as dictated by

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hole conditions. Keep the drill pipe moving at all times. Monitor the system for the presence of bacteria and treat out accordingly.

5. MUD PROGRAM (Continued):

INTERVAL (CCS)	WEIGHT (PPG)	VISCOSITY (SEC)	PH	WL
KOP to TD (Horizontal leg)	8.5 – 8.6 ppg	36 sec	>10	10 ccs

After exiting 7" casing at 4,323', drill out with 2% KCL, gel, polymer, LSND mud system, adding caustic soda for PH control. Add starch to keep water loss at a minimum, adding LCM as needed with intermittent sweeps. LCM will consist of cedar fibers and mica. In the event cedar fibers and mica are not readily available cotton seed hulls and saw dust will be used. The Moenkopi is not expected to be over pressured, however if conditions require an increase in mud weight, barite will be added to the mud system for well control.

6. EVALUATION PROGRAM: CONFIDENTIAL

Electric Logging: It is anticipated that a log suite consisting of (DIL/Sonic/Neutron-Density/GR/Cal) will be run from TD to bottom of surface casing.

Drillstem Testing: None anticipated.
Coring: None anticipated.
Stimulation: No stimulation has been formulated for this test at this time. The drill site, as proposed, will be of sufficient size to accommodate all completion activities.

The proposed Evaluation Program may change at the discretion of the well site geologist, with approval from the Authorized Officer, Vernal Field Office, Bureau of Land Management.

Whether the well is completed as a dry hole or as a producer, *Well Completion and Recompletion Report and Log* Form #3160-4) will be submitted to the Vernal Field Office not later than thirty (30) days after the completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164.

Two (2) copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled

during the drilling, workover, and/or completion operations will be filed with Form #3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the District Manager, of the Vernal Field Office.

7. ABNORMAL CONDITIONS

No abnormal temperatures or pressures are anticipated. A maximum bottomhole pressure gradient of 0.43 psi per ft (8.3 ppg) is expected.

8. ANTICIPATED STARTING DATES AND MISCELLANEOUS

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A. Anticipated Starting Dates:

Anticipated Commencement date	-	January 30, 2010
Drilling Days	-	Approximately 20 Days
Completion Days	-	Approximately 20 Days

B. Miscellaneous:

There shall be no deviation from the proposed drilling and/or workover program as approved. Safe drilling and operating practices must be observed.

All wells, whether drilling, producing, suspended or abandoned shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, the lease serial number, the well number and the surveyed description of the well.

Any changes in operation must have prior approval from the Authorized Officer (AO), Vernal Field Office, Bureau of Land Management. Pressure tests are required before drilling out from under all casing strings set and cemented in place. Blowout preventer controls will remain in use until the well is either completed or abandoned. Preventers will be inspected and operated at least daily to insure good mechanical working order, and this inspection will be recorded on the daily drilling report. All BOP tests must be recorded in the daily drilling report.

The spud date will be orally reported to the Vernal Field Office within forty-eight (48) hours after spudding. If spudding occurs on a weekend or holiday, this report will be called in on the next regular workday following spudding of the well.

In accordance with *Onshore Oil & Gas Order Number 1,* this well will be reported on MMS Form #3160-6, *Monthly Report of Operations and Production,* starting with the month in which operations commence and continuing each

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month until the well is physically plugged and abandoned. This report will be filed directly with the Royalty Management Program, Minerals Management Service, P. O. Box 17110, Denver, Colorado 80217.

All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL-3A will be reported to the Vernal Field Office. Major events will be reported verbally within twenty-four (24) hours and will be followed with a written report within fifteen (15) days. "Other than Major Events" will be reported in writing within fifteen (15) days. "Minor Events" will be reported on the *Monthly Report of Operations and Production* (Form #3160-6).

No well abandonment operations will be commenced without the prior approval of the Authorized Officer. In the case of newly-drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the Vernal Field Office Petroleum Engineer. A *Notice of Intention to Abandon* (Form 3160-5) will be filed with the Authorized Officer within fifteen (15) days following the granting of oral approval to plug and abandon.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. The following information will be permanently placed on the marker with a plate, cap, or beaded-on with a welding torch: Company Name, Well Name and Number, Location by Quarter/Quarter, Section, Township, Range, and the Federal Lease Number.

A *Subsequent Report of Abandonment* (Form #3160-5) will be submitted within thirty (30) days following the actual plugging of the well bore. This report will indicate where plugs were placed and the current status of surface restoration operations. If surface restoration has not been completed at that time, a follow-up report on Form #3160-5 will be filed when all surface restoration work has been completed and the location is considered ready for final inspection.

Pursuant to NTL-4A, lessees and operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of thirty (30) days or the production of fifty (50) MMCF of gas, whichever occurs first. An application must be filed with the Authorized Officer, and approval received, for any venting/flaring of gas beyond the initial (30) day or otherwise authorized test period.

Not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than ninety (90) days, the operator shall notify the Authorized Officer by letter or

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"*Sundry Notice*", of the date on which such production has begun or resumed. The notification shall provide as a minimum, the following informational items:

a. Operator name, address, and telephone number.
b. Well name and number.
c. Well location "1/4, 1/4, Section, Township, Range, P.M."
d. Date well was placed in a producing status.
e. The nature of the wells production, i.e.: crude oil casing gas, or natural gas and entrained liquid hydrocarbons.
f. The OCS, Federal or Indian lease prefix and number on which the well is located. Otherwise, the non-Federal or non-Indian land category, i.e.: state or private.

Within sixty (60) days following construction of a new tank battery, a site facility diagram of the battery showing actual conditions and piping must be submitted to the Authorized Officer. Facility diagrams shall be filed within sixty (60) days after existing facilities are modified. For complete information as to what is required on these diagrams, please refer to 43 CFR 3162.7-4 (d).

Pursuant to *Onshore Oil & Gas Order Number 1*, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in such a manner which conforms with applicable Federal laws and regulations and with State and Local laws and regulations to the extent that such State and local laws are applicable to operations on Federal and Indian lands.

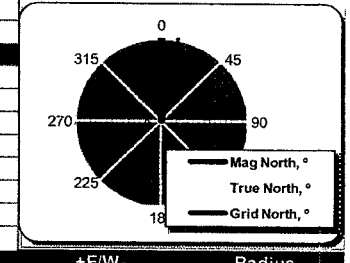
Date: Prepared by: Steven J. Lund

Steven J. Lund

Please direct all correspondence regarding this permit to:

Steven J. Lund
435.340.0557
steve@energyoftherockies.com

JOB INFORMATION				Well Details			
JOB NUMBER	TBD	Northing, ft	4371460.00	Latitude	39.491508	+/- North	
JOB START DATE	2/15/2010	Easting, ft	546144.00	Longitude	110.463381	+/- East	
JOB END DATE		Elevation, ft	5448' G.E.			Slot Name	A.C. #1-AX
COMPANY NAME	Native Navigation	*Vert. Sect, °*	273.30	TVD Ref	RKB		
AFE/API#	43-007-30099	Units, ft or m	Feet	Proj to Bit	0.00		
OPERATOR	Energy of the Rockies	Magnetics & Map Systems					
WELL NAME	Arco Chambers #1-AX	Current Datum	IGRF	Map System	NAD 83		
LOCATION	Carbon County, UT	Magnetic Date	1/29/10				
RIG NAME	Gunnison	Field Str, nT	52045.00				
REPRESENTATIVE	Tim McDonald	Declination, °	11.55				
DIRECTIONAL DRILLERS	Monte Archer / Darnell McQuitty	Dip Angle, °	65.28				
MWD COMPANY	Native Navigation	Mag North, °	11.55				
MWD PERSONNEL	Tom Hartley / Kevin Jones	True North, °	0.00				
COMPANY WEBSITE	www.nativenavigation.com	Grid North, °					



Target Description	Target #	Type	TVD	MD	VS	+N/S-	+E/W-	Radius
Land Lateral	Target #1	Radius	4484.00	4892.80	716.20	41.23	715.01	2.00
TD Lateral	Target #2	Radius	4484.00	5856.49	1679.88	96.71	-16677.10	2.00

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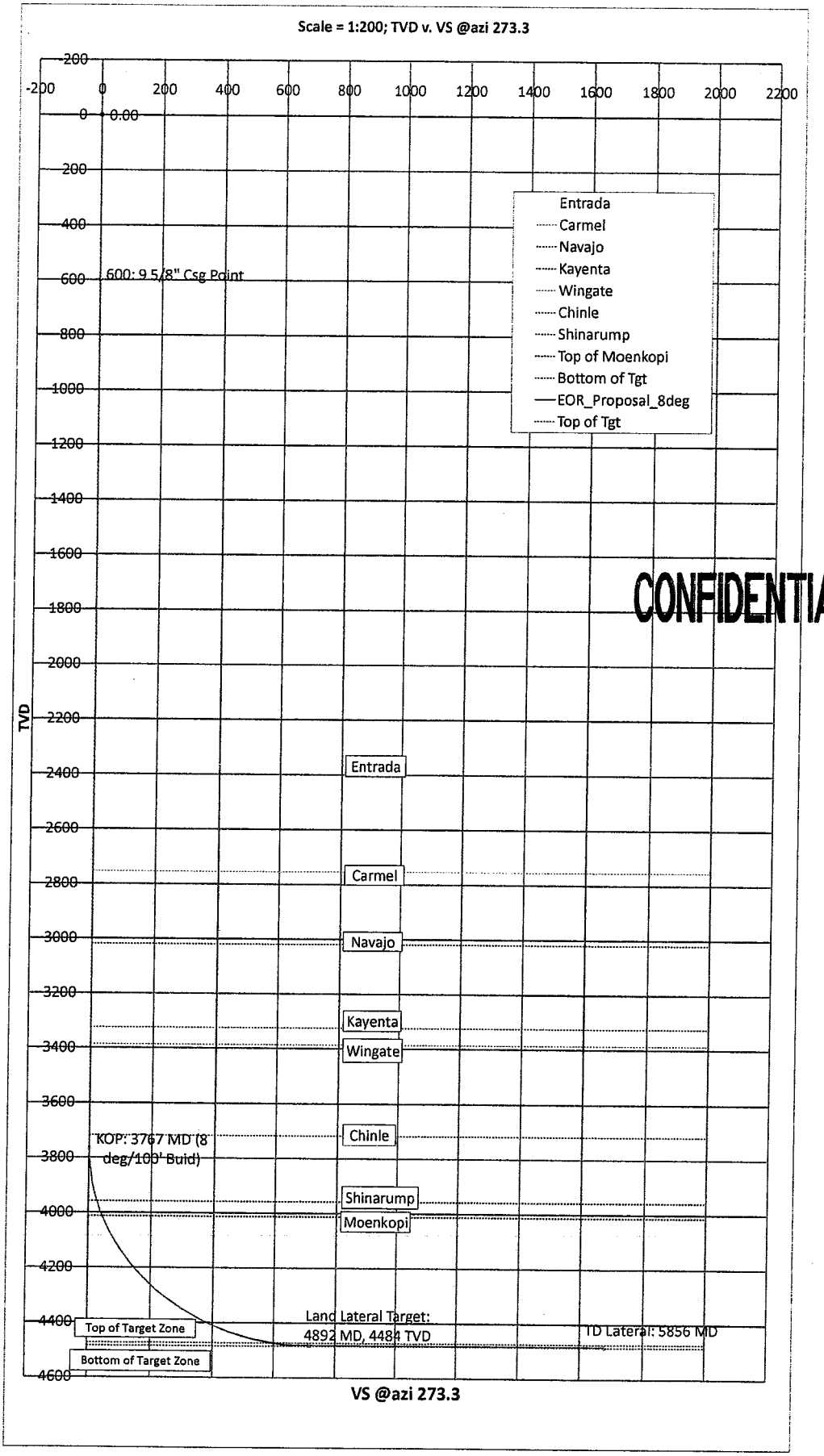
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200
400
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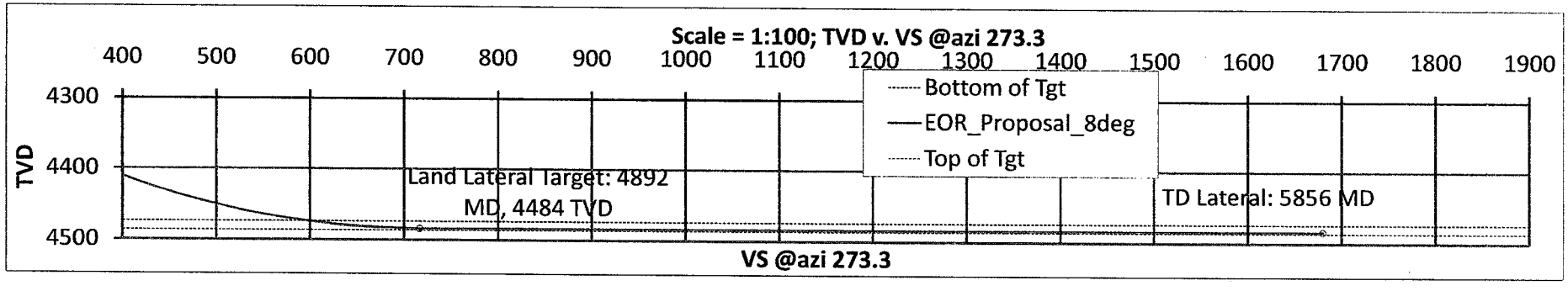
800
1000
1200
1400
1600
1800
2000
2200
0.00
600: 9 5/8" Csg Point
Entrada
Carmel
Navajo
Kayenta
Wingate
Chinle
Shinarump
Top of Moenkopi
Bottom of Tgt
EOR_Proposal_8deg
Top of Tgt
CONFIDENTIAL
TVD
Entrada
Carmel
Navajo
Kayenta
Wingate
Chinle
Shinarump
Moenkopi
KOP: 3767 MD (8 deg/100' Buid)
Land Lateral Target:
4892 MD, 4484 TVD
TD Lateral: 5856 MD
Top of Target Zone
Bottom of Target Zone
VS @azi 273.3



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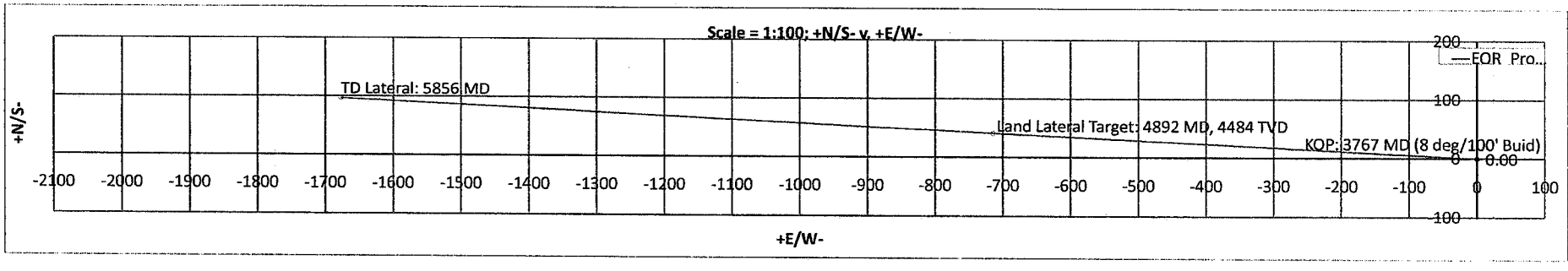

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Energy of The Rockies
Arco Chamber #1-AX

EOR_Proposal_8deg

No.	MD	CL	Inc.	Azi	TVD	VS	+N/S-	+E/W-	BR	WR	DLS	Comments
0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				Surface @ RKB
1	100.00	100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	200.00	100.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00	
3	300.00	100.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	
4	400.00	100.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00	
5	500.00	100.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	
6	600.00	100.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00	9 5/8" Csg Point
7	700.00	100.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00	
8	800.00	100.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	900.00	100.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00	
10	1000.00	100.00	0.00	0.00	1000.00	0.00	0.00	0.00	0.00	0.00	0.00	
11	1100.00	100.00	0.00	0.00	1100.00	0.00	0.00	0.00	0.00	0.00	0.00	
12	1200.00	100.00	0.00	0.00	1200.00	0.00	0.00	0.00	0.00	0.00	0.00	
13	1300.00	100.00	0.00	0.00	1300.00	0.00	0.00	0.00	0.00	0.00	0.00	
14	1400.00	100.00	0.00	0.00	1400.00	0.00	0.00	0.00	0.00	0.00	0.00	
15	1500.00	100.00	0.00	0.00	1500.00	0.00	0.00	0.00	0.00	0.00	0.00	
16	1600.00	100.00	0.00	0.00	1600.00	0.00	0.00	0.00	0.00	0.00	0.00	
17	1700.00	100.00	0.00	0.00	1700.00	0.00	0.00	0.00	0.00	0.00	0.00	
18	1800.00	100.00	0.00	0.00	1800.00	0.00	0.00	0.00	0.00	0.00	0.00	
19	1900.00	100.00	0.00	0.00	1900.00	0.00	0.00	0.00	0.00	0.00	0.00	
20	2000.00	100.00	0.00	0.00	2000.00	0.00	0.00	0.00	0.00	0.00	0.00	
21	2100.00	100.00	0.00	0.00	2100.00	0.00	0.00	0.00	0.00	0.00	0.00	
22	2200.00	100.00	0.00	0.00	2200.00	0.00	0.00	0.00	0.00	0.00	0.00	
23	2300.00	100.00	0.00	0.00	2300.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	2365.00	65.00	0.00	0.00	2365.00	0.00	0.00	0.00	0.00	0.00	0.00	Entrada
25	2400.00	100.00	0.00	0.00	2400.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	2500.00	100.00	0.00	0.00	2500.00	0.00	0.00	0.00	0.00	0.00	0.00	
27	2600.00	100.00	0.00	0.00	2600.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	2700.00	100.00	0.00	0.00	2700.00	0.00	0.00	0.00	0.00	0.00	0.00	
29	2754.99	54.99	0.00	0.00	2754.99	0.00	0.00	0.00	0.00	0.00	0.00	Carmel
30	2800.00	100.00	0.00	0.00	2800.00	0.00	0.00	0.00	0.00	0.00	0.00	
31	2900.00	100.00	0.00	0.00	2900.00	0.00	0.00	0.00	0.00	0.00	0.00	
32	3000.00	100.00	0.00	0.00	3000.00	0.00	0.00	0.00	0.00	0.00	0.00	
33	3020.01	20.01	0.00	0.00	3020.01	0.00	0.00	0.00	0.00	0.00	0.00	Navajo
34	3100.00	100.00	0.00	0.00	3100.00	0.00	0.00	0.00	0.00	0.00	0.00	
35	3200.00	100.00	0.00	0.00	3200.00	0.00	0.00	0.00	0.00	0.00	0.00	
36	3300.00	100.00	0.00	0.00	3300.00	0.00	0.00	0.00	0.00	0.00	0.00	
37	3312.50	12.50	0.00	0.00	3312.50	0.00	0.00	0.00	0.00	0.00	0.00	Kayenta
38	3386.00	73.50	0.00	0.00	3386.00	0.00	0.00	0.00	0.00	0.00	0.00	Wingate
39	3400.00	100.00	0.00	0.00	3400.00	0.00	0.00	0.00	0.00	0.00	0.00	
40	3500.00	100.00	0.00	0.00	3500.00	0.00	0.00	0.00	0.00	0.00	0.00	
41	3600.00	100.00	0.00	0.00	3600.00	0.00	0.00	0.00	0.00	0.00	0.00	
42	3700.00	100.00	0.00	0.00	3700.00	0.00	0.00	0.00	0.00	0.00	0.00	
43	3718.00	18.00	0.00	360.00	3718.00	0.00	0.00	0.00	0.00	0.00	0.00	Chinle
44	3767.80	67.80	0.00	273.30	3767.80	0.00	0.00	0.00	0.00	-127.87	0.00	KOP (8 deg/100' Build)
45	3800.00	32.20	2.58	273.30	3799.99	0.72	0.05	-0.72	8.00	0.00	8.00	
46	3900.00	100.00	10.58	273.30	3899.25	12.17	0.70	-12.15	8.00	0.00	8.00	
47	3960.31	60.31	15.40	273.30	3958.00	25.72	1.48	-25.67	8.00	0.00	8.00	Shinarump
48	4000.00	100.00	18.58	273.30	3995.95	37.31	2.15	-37.25	8.00	0.00	8.00	
49	4019.12	19.12	20.11	273.30	4014.00	43.64	2.52	-43.57	8.00	0.00	8.00	Moenkopi
50	4100.00	100.00	26.58	273.30	4088.22	75.67	4.36	-75.55	8.00	0.00	8.00	
51	4154.53	54.53	30.94	273.30	4136.01	101.90	5.87	-101.73	8.00	0.00	8.00	Oil/Gas/Water Possible
52	4200.00	100.00	34.58	273.30	4174.24	126.50	7.29	-126.29	8.00	0.00	8.00	
53	4300.00	100.00	42.58	273.30	4252.36	188.80	10.87	-188.49	8.00	0.00	8.00	
54	4400.00	100.00	50.58	273.30	4321.04	261.37	15.05	-260.94	8.00	0.00	8.00	
55	4500.00	100.00	58.58	273.30	4378.96	342.79	19.74	-342.22	8.00	0.00	8.00	
56	4600.00	100.00	66.58	273.30	4424.98	431.48	24.84	-430.77	8.00	0.00	8.00	
57	4700.00	100.00	74.58	273.30	4458.20	525.71	30.27	-524.84	8.00	0.00	8.00	
58	4800.00	100.00	82.58	273.30	4478.00	623.65	35.90	-622.62	8.00	0.00	8.00	
59	4892.80	92.80	90.00	273.30	4484.00	716.20	41.23	-715.01	8.00	0.00	8.00	Land Lateral Target
60	4900.00	7.20	90.00	273.30	4484.00	723.39	41.65	-722.19	0.00	0.00	0.00	
61	5000.00	100.00	90.00	273.30	4484.00	823.39	47.40	-822.03	0.00	0.00	0.00	
62	5085.25	85.25	90.00	273.30	4484.00	908.64	52.31	-907.13	0.00	0.00	0.00	
63	5856.49	771.24	90.00	273.30	4484.00	1679.88	96.71	-1677.10	0.00	0.00	0.00	TD Lateral

WORKSHEET

APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/08/2010

API NO. ASSIGNED: 43-007-31518

WELL NAME: ARCO CHAMBERS 1-AX(RIGSKID)

OPERATOR: ALKER EXPLORATION LLC (N1880)

PHONE NUMBER: 435-835-4248

CONTACT: STEVEN LUND

PROPOSED LOCATION:

SWNE 28 150S 130E

SURFACE: 2589 FNL 1582 FEL

BOTTOM: 2508 FNL 2030 FWL

COUNTY: CARBON

LATITUDE: 39.49166 LONGITUDE: -110.46275

UTM SURF EASTINGS: 546199 NORTHINGS: 4371268

FIELD NAME: WILDCAT (1)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-77855

PROPOSED FORMATION: MNKP

SURFACE OWNER: 1 - Federal

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

✓ Plat

✓ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UTB-0000341)

N Potash (Y/N)

N Oil Shale 190-5 (B) or 190-3 or 190-13

✓ Water Permit
(No. MUNICIPAL)

N RDCC Review (Y/N)
(Date:)

Lm Fee Surf Agreement (Y/N)

N/A Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3. * Horizontal

Unit: ICELANDER (SHALLOW) ok

___ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells

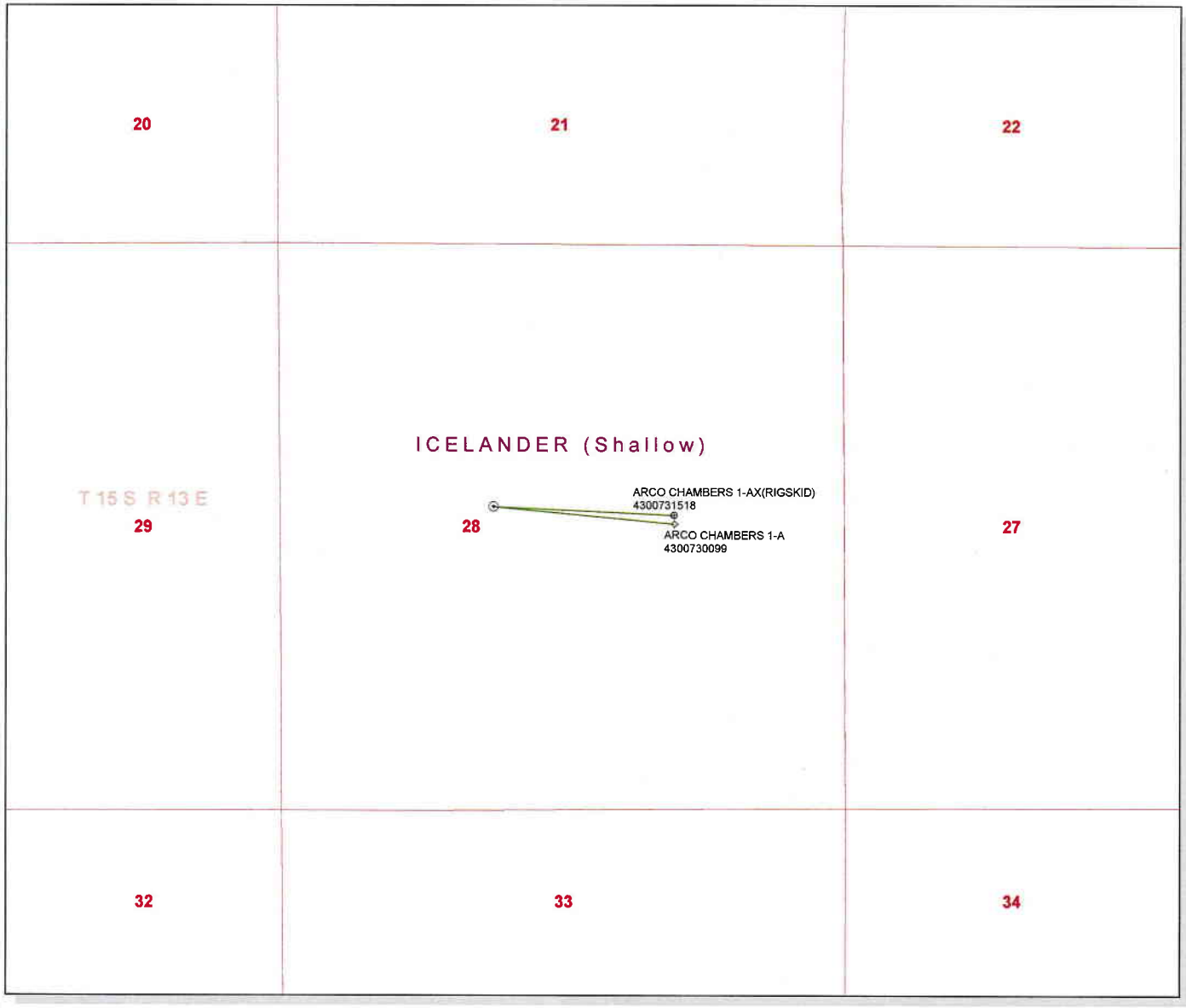
___ R649-3-3. Exception

___ Drilling Unit
Board Cause No:
Eff Date:
Siting:

___ R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS: 1- Federal Approval
2- Spacing Stip



API Number: 4300731518

Well Name: ARCO CHAMBERS 1-AX(RIGSKID)

Township 15.0 S Range 13.0 E Section 28

Meridian: SLBM

Operator: ALKER EXPLORATION LLC

Map Prepared:
Map Produced by Diana Mason

1:11,511

GARY R. HERBERT
Governor
GREG BELL
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

February 11, 2010

Alker Exploration LLC
97 North Main Street
Manti, UT 84642

Subject: Arco Chambers 1-AX Well, Surface Location 2589' FNL, 1582' FEL, SW NE, Sec. 28, T. 15 South, R. 13 East, Bottom Location 2508' FNL, 2030' FWL, SE NW, Sec. 28, T. 15 South, R. 13 East, Carbon County, Utah

Ladies and Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-31518.

Sincerely,

Gil Hunt
Associate Director

GLH/js
Enclosures

cc: Carbon County Assessor
Bureau of Land Management, Price Office

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

Operator: Alker Exploration LLC
Well Name & Number Arco Chambers 1-AX
API Number: 43-007-31518
Lease: UTU-77855

Surface Location: SW NE **Sec.** 28 **T.** 15 South **R.** 13 East
Bottom Location: SE NW **Sec.** 28 **T.** 15 South **R.** 13 East

Conditions of Approval

1. General

   Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

   The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

   - Within 24 hours following the spudding of the well – contact Carol Daniels at 801-538-5284 (please let a voicemail message if not available)
     OR
     Submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at http://oilgas.ogm.utah.gov

   Notify the Division prior to commencing operations to plug and abandon the well.

   - Contact Dustin Doucet at (801) 538-5281 office
     (801) 733-0983 after office hours

3. Reporting Requirements

   All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited:

   - Entity Action Form (Form 6) – due within 5 days of spudding the well
   - Monthly Status Report (Form 9) – due by 5th day of the following calendar month
   - Requests to Change Plans (Form 9) – due prior to implementation
   - Written Notice of Emergency Changes (Form 9) – due within 5 days
   - Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
   - Report of Water Encountered (Form 7) – due within 30 days after completion
   - Well Completion Report (Form 8) – due within 30 days after completion or plugging

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

6. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order.

Form 3160-5
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-77855

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME: Icelander

1. TYPE OF WELL: OIL [X] GAS [ ] OTHER [ ]

8. WELL NAME and NUMBER: Arco Chambers #1-AX Rigskid

2. NAME OF OPERATOR: Energy of the Rockies
Alker Exploration LLC

9. API NUMBER: 0 43 007 31518

3a. ADDRESS OF OPERATOR: 97 North Main Street #2 (P.O. Box 87)
CITY Manti STATE UT ZIP ##

3b. PHONE: (435) 835-424 Office
435.340.0557 Mobil

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL
FOOTAGE AT SURFACE: 2589' FNL & 1582 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 28-T15S-13E

11. County or Parish, State: Carbon

12. **CHECK APPROPRIATE BOX (ES) TO INDICATE NATURE OF NOTICE, REPORT, OR DATA**

TYPE OF SUBMISSION

[X] Notice of Intent	[ ] ACIDIZE	[ ] DEEPEN	[ ] PRODUCTION (START/RESUME)	[ ] WATER SHUT-OFF	
[ ] Subsequent Report	[ ] ALTER CASING	[ ] FRACTURE TREAT	[ ] RECLAMATION	[ ] Well Integrity	
[ ] Final Abandonment Notice	[ ] CASING REPAIR	[ ] NEW CONSTRUCTION	[ ] RECOMPLETE	[X] OTHER Spudd well Set New Surface Casing	
	[X] CHANGE PLANS	[ ] PLUG AND ABANDON	[ ] Temporarily Abandon		
	[ ] Convert to Injection	[ ] PLUG BACK	[ ] WATER DISPOSAL		

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

RECEIVED
FEB 16 2010
DIV. OF OIL, GAS & MINING

* **Perform a mechanical integrity test**

The casing failed on the MIT for the Arco Chambers #1-A (API# 43-007-30099) causing a rig skid to the new location
Attached please find the following for the ARCO Chambers #1-AX:
- New plat for the new well bore (50' North and 4' West of old well bore)
- Drilling Prognosis
- Bond Number is UTB-0000341

BHL will remain the same at 2508' FNL and 2030' FWL

CONFIDENTIAL

14. I herby certify that the foregoing is true and correct

NAME (Printed/Typed): Steven J. Lund

Title: Engineer

SIGNATURE: Steven J. Lund

DATE: 1/31/2010

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved by: Mamm Hendricks

Conditions of approval, if any are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon

Title: Petroleum Engineer

Date: FEB 11 2010

Office: PRICE FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United State any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

*U.S. GOVERNMENT PRINTING OFFICE 2001-773 001/46035

UDOGM

COPY

ENERGY OF THE ROCKIES (EOR) LLC

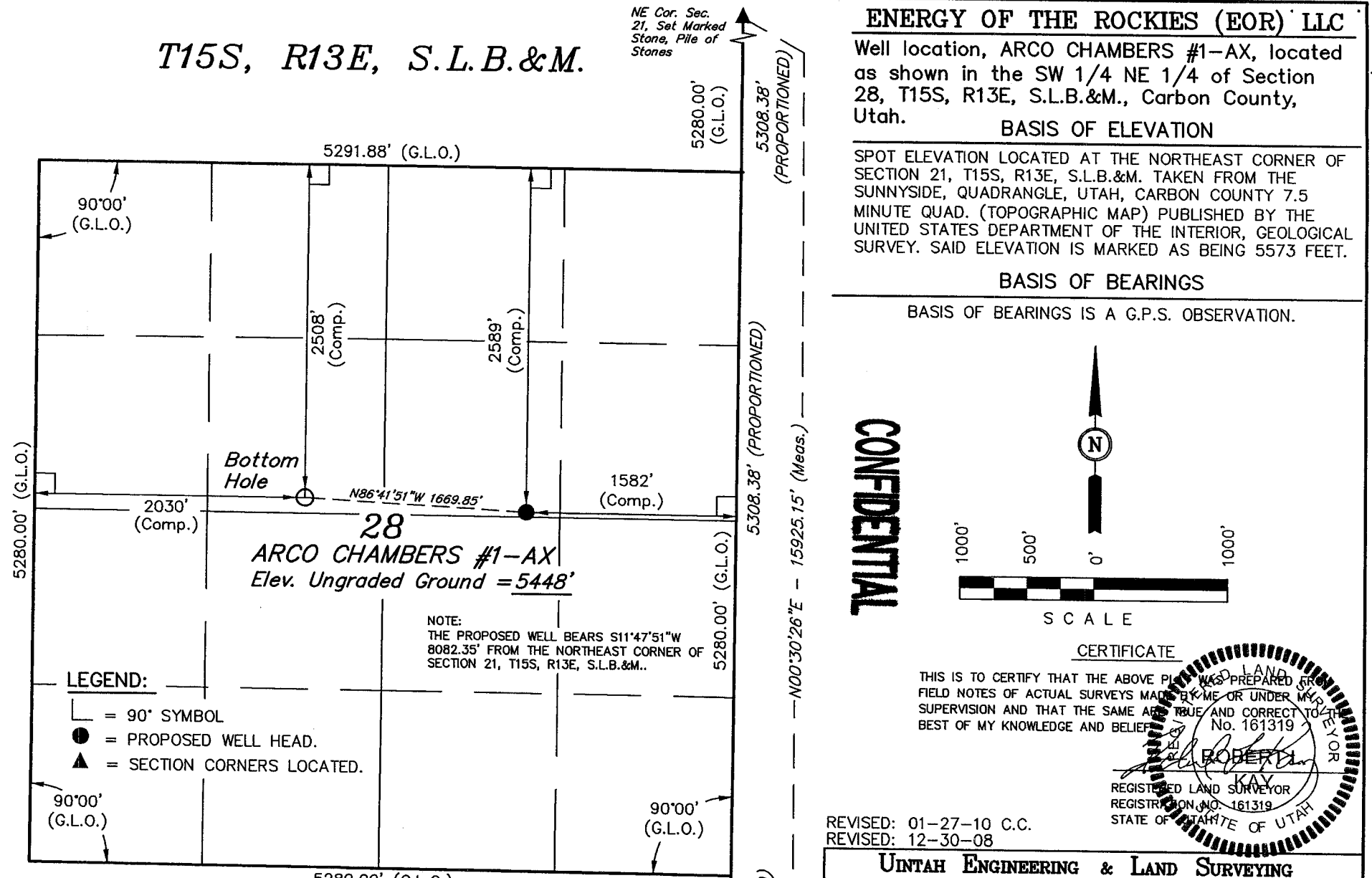
Well location, ARCO CHAMBERS #1-AX, located as shown in the SW 1/4 NE 1/4 of Section 28, T15S, R13E, S.L.B.&M., Carbon County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION LOCATED AT THE NORTHEAST CORNER OF SECTION 21, T15S, R13E, S.L.B.&M. TAKEN FROM THE SUNNYSIDE, QUADRANGLE, UTAH, CARBON COUNTY 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5573 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CONFIDENTIAL

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REVISED: 01-27-10 C.C.
REVISED: 12-30-08

AUTONOMOUS NAD 83 (TARGET BOTTOM HOLE)	AUTONOMOUS NAD 83 (SURFACE LOCATION)
LATITUDE = 39°29'30.41" (39.491781)	LATITUDE = 39°29'29.43" (39.491508)
LONGITUDE = 110°28'09.47" (110.469297)	LONGITUDE = 110°27'48.17" (110.463381)
AUTONOMOUS NAD 27 (TARGET BOTTOM HOLE)	**AUTONOMOUS NAD 27 (SURFACE LOCATION)**
LATITUDE = 39°29'30.53" (39.491814)	LATITUDE = 39°29'29.55" (39.491542)
LONGITUDE = 110°28'06.92" (110.468589)	LONGITUDE = 110°27'45.62" (110.462672)

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE: 1" = 1000'	DATE SURVEYED: 10-08-08	DATE DRAWN: 10-22-08
PARTY: T.A. T.P. S.L.	REFERENCES: G.L.O. PLAT	
WEATHER: HOT	FILE: ENERGY OF THE ROCKIES (EOR) LLC	

ALKER EXPLORATION LLC / ENERGY OF THE ROCKIES LLC
Federal Lease #: UTU-77855
Arco Chambers #1-AX
SWNE, Section 28-Township 15S-Range 13E
Carbon County, Utah

DRILLING PROGNOSIS/Onshore order #1

NOTE: In the process of testing the surface casing on the Arco Chambers #1 for re-entry the casing was noted to be extremely corroded. A mechanical integrity test was conducted by pressuring up on the casing. The directive was to pressure up to 1000 psig and hold for 10 minutes. The surface casing failed at 750 psig and flowed at about 0.5 bbl/minute. The well location will be moved 50 feet north and 4 feet west of its current position. The new drilling prognosis is as follows:

1. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS

FORMATION	TOP (TVD)	SUB SURFACE
Entrada	2,365'	+ 3,105'
Carmel	2,755'	+ 2,715'
Navajo	3,020'	+ 2,450'
Kayenta	3,325'	+ 2,145'
Wingate	3,386'	+ 2,084'
Chinle	3,718'	+ 1,752'
Shinarump	3,958'	+ 1,512'
Moenkopi	4,014'	+ 1,456'

2. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS, OR MINERAL FORMATIONS

FORMATION	TOP	CONTENTS
Moenkopi	4,136'	Oil/Gas/Water (Possible)

3. PRESSURE CONTROL EQUIPMENT (Schematic Attached - Figure 1)

A) Type: 11" x 3,000 psi WP double-gate BOP and 11" x 3,000 psi WP annular BOP with hydraulic closing unit. 9-5/8" x 11" x 3,000 psi WP slip-on welded casing head and 11" x 7-1/16" x 3,000 psi WP tubing head.

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The blowout preventer will be equipped as follows:

1) One set of blind rams.
2) One set of pipe rams.
3) Drilling spool with two side outlets (choke side: 3" minimum and kill side: 2" minimum).
4) Kill line: Two-inch minimum.
5) Two kill line valves, one of which will be a check valve (two-inch
6) Choke line: Three-inch minimum.
7) Two choke line valves: Three-inch minimum.
8) One manually operated choke: Three-inch minimum.
9) Pressure gauge on choke manifold.
10) Upper kelly cock with handle readily available.
11) Full opening internal blowout preventer or drill pipe safety valve able to fit all connections.
12) Fillup line to be located above uppermost preventer.

B) Pressure Rating: 3,000 psi.

C) Testing Procedure:

At a minimum, the BOP, choke manifold, and all related equipment will be pressure tested to the approved working pressure of the BOP stack (if isolated from the surface casing by means of a test plug) or to 70% of the internal yield strength of the surface casing (if not isolated from the surface casing by means of a test plug). Pressure will be maintained for a period of at least ten minutes or until requirements of the test are met, whichever is longer.

At a minimum, this pressure test will be performed:

1) When the BOP is initially installed.
2) Whenever any seal subject to test pressure is broken.
3) Following related repairs.
4) At thirty-day intervals.

In addition to the above, the pipe rams will be activated daily, and the blind rams will be activated each trip (but not more frequently than once each day). All BOP tests and drills will be recorded in the IADC Driller's Log (tour sheets).

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D) Choke Manifold Equipment:

All choke lines will be straight lines, unless turns use tee-blocks, or are targeted with running tees. These lines will be anchored to prevent whip and vibration.

E) Accumulator:

The accumulator will have sufficient capacity to close all rams (plus the annular preventer, if applicable) and retain a minimum of 200 psi above the precharge pressure without the use of the closing-unit pumps. The fluid reservoir capacity will be double the accumulator capacity and the fluid level will be maintained at the manufacturer's recommendations. The BOP system will have two independent power sources to close the preventers. Nitrogen bottles (three minimum) will be considered one of these sources and will maintain a charge equal to the manufacturer's specifications.

The accumulator precharge pressure test will be conducted prior to connecting the closing unit to the BOP stack and at least once every six months thereafter. The accumulator pressure will be corrected if the measured precharge pressure is found to be above or below the maximum or minimum limits as specified on *Onshore Oil and Gas Order Number 2.*

F) Miscellaneous Information:

The blowout preventer and related pressure-control equipment will be installed, tested, and maintained in compliance with the specifications in and requirements of *Onshore Oil and Gas Order Number 2.* The choke manifold and BOP extension rods will be located outside the rig sub-structure. The hydraulic BOP closing unit will be located at least twenty-five feet from the wellhead, but will be readily accessible to the driller. Exact locations and configurations of the hydraulic BOP closing unit will depend upon the particular drilling rig contracted to drill this hole.

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4. THE PROPOSED CASING AND CEMENTING PROGRAM

A) Casing Program (Surface casing was run when well was originally drilled):

SIZE	INTERVAL	LENGTH	DESCRIPTION
9-5/8"	0' – 600'	600'	36#, J-55, STC
7"	0' – 4,323'	4,323'	20#, J-55, LTC

B) Cementing Program:

CASING/HOLE SIZE	CEMENT SLURRY	SX	PPG	YIELD
14" Conductor				
9 5/8" – 12 1/4"	Class 'G	245	15.8	1.15
CASING/HOLE SIZE	**CEMENT SLURRY**	**SX**	**PPG**	**YIELD**
7" – 8 3/4"	Class 'G' + fluid loss additive and retarder as required	400	15.8	1.15

5. MUD PROGRAM:

Well will be drilled with brine water and treated with bactericide. If bentonite mud is used it will be mixed with fresh water prior to adding KCL. If attapulgite is used it will be mixed after the 2% KCL solution is achieved.

INTERVAL	WEIGHT (PPG)	VISCOSITY (SEC)	WL (CCS)
600' 1,295' to 4,323'	8.5-9.5 ppg	30-60 sec	10-20 ccs

Prior to drilling out surface casing, mud-up with low-solids, non-dispersed mud system utilizing gel (10-12 ppb), caustic soda, and PHPA polymer (1/2 to ½ ppb). Treat out cement contamination with soda ash and sodium bicarbonate. Mud weight should be dictated by gas concentration to maintain nearly balanced conditions. Keep trip speeds down to reduce surge-swab pressure. Keep hole full at all times. Monitor pit volume constantly as lost circulation should be expected at all times. Sweep hole as dictated by

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hole conditions. Keep the drill pipe moving at all times. Monitor the system for the presence of bacteria and treat out accordingly.

5. MUD PROGRAM (Continued):

INTERVAL (CCS)	WEIGHT (PPG)	VISCOSITY (SEC)	PH	WL
KOP to TD (Horizontal leg)	8.5 – 8.6 ppg	36 sec	>10	10 ccs

After exiting 7" casing at 4,323', drill out with 2% KCL, gel, polymer, LSND mud system, adding caustic soda for PH control. Add starch to keep water loss at a minimum, adding LCM as needed with intermittent sweeps. LCM will consist of cedar fibers and mica. In the event cedar fibers and mica are not readily available cotton seed hulls and saw dust will be used. The Moenkopi is not expected to be over pressured, however if conditions require an increase in mud weight, barite will be added to the mud system for well control.

6. EVALUATION PROGRAM: CONFIDENTIAL

Electric Logging: It is anticipated that a log suite consisting of (DIL/Sonic/Neutron-Density/GR/Cal) will be run from TD to bottom of surface casing.

Drillstem Testing: None anticipated.
Coring: None anticipated.
Stimulation: No stimulation has been formulated for this test at this time. The drill site, as proposed, will be of sufficient size to accommodate all completion activities.

The proposed Evaluation Program may change at the discretion of the well site geologist, with approval from the Authorized Officer, ~~Vernal~~ Price Field Office, Bureau of Land Management.

Whether the well is completed as a dry hole or as a producer, *Well Completion and Recompletion Report and Log* Form #3160-4) will be submitted to the ~~Vernal~~ Price Field Office not later than thirty (30) days after the completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164.

Two (2) copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled

during the drilling, workover, and/or completion operations will be filed with Form #3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the District Manager, of the Vernal Price Field Office.

7. ABNORMAL CONDITIONS

No abnormal temperatures or pressures are anticipated. A maximum bottomhole pressure gradient of 0.43 psi per ft (8.3 ppg) is expected.

8. ANTICIPATED STARTING DATES AND MISCELLANEOUS

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A. Anticipated Starting Dates:

Anticipated Commencement date	-	January 30, 2010
Drilling Days	-	Approximately 20 Days
Completion Days	-	Approximately 20 Days

B. Miscellaneous:

There shall be no deviation from the proposed drilling and/or workover program as approved. Safe drilling and operating practices must be observed.

All wells, whether drilling, producing, suspended or abandoned shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, the lease serial number, the well number and the surveyed description of the well.

Any changes in operation must have prior approval from the Authorized Officer (AO), Vernal Price Field Office, Bureau of Land Management. Pressure tests are required before drilling out from under all casing strings set and cemented in place. Blowout preventer controls will remain in use until the well is either completed or abandoned. Preventers will be inspected and operated at least daily to insure good mechanical working order, and this inspection will be recorded on the daily drilling report. All BOP tests must be recorded in the daily drilling report.

The spud date will be orally reported to the Vernal Price Field Office within forty-eight (48) hours after spudding. If spudding occurs on a weekend or holiday, this report will be called in on the next regular workday following spudding of the well.

In accordance with *Onshore Oil & Gas Order Number 1,* this well will be reported on MMS Form #3160-6, *Monthly Report of Operations and Production,* starting with the month in which operations commence and continuing each

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month until the well is physically plugged and abandoned. This report will be filed directly with the Royalty Management Program, Minerals Management Service, P. O. Box 17110, Denver, Colorado 80217.

All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL-3A will be reported to the Vernal Field Office. Major events will be reported verbally within twenty-four (24) hours and will be followed with a written report within fifteen (15) days. "Other than Major Events" will be reported in writing within fifteen (15) days. "Minor Events" will be reported on the *Monthly Report of Operations and Production* (Form #3160-6).

No well abandonment operations will be commenced without the prior approval of the Authorized Officer. In the case of newly-drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the Vernal Field Office Petroleum Engineer. A *Notice of Intention to Abandon* (Form 3160-5) will be filed with the Authorized Officer within fifteen (15) days following the granting of oral approval to plug and abandon.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. The following information will be permanently placed on the marker with a plate, cap, or beaded-on with a welding torch: Company Name, Well Name and Number, Location by Quarter/Quarter, Section, Township, Range, and the Federal Lease Number.

A *Subsequent Report of Abandonment* (Form #3160-5) will be submitted within thirty (30) days following the actual plugging of the well bore. This report will indicate where plugs were placed and the current status of surface restoration operations. If surface restoration has not been completed at that time, a follow-up report on Form #3160-5 will be filed when all surface restoration work has been completed and the location is considered ready for final inspection.

Pursuant to NTL-4A, lessees and operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of thirty (30) days or the production of fifty (50) MMCF of gas, whichever occurs first. An application must be filed with the Authorized Officer, and approval received, for any venting/flaring of gas beyond the initial (30) day or otherwise authorized test period.

Not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than ninety (90) days, the operator shall notify the Authorized Officer by letter or

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"*Sundry Notice*", of the date on which such production has begun or resumed. The notification shall provide as a minimum, the following informational items:

a. Operator name, address, and telephone number.
b. Well name and number.
c. Well location "1/4, 1/4, Section, Township, Range, P.M."
d. Date well was placed in a producing status.
e. The nature of the wells production, i.e.: crude oil casing gas, or natural gas and entrained liquid hydrocarbons.
f. The OCS, Federal or Indian lease prefix and number on which the well is located. Otherwise, the non-Federal or non-Indian land category, i.e.: state or private.

Within sixty (60) days following construction of a new tank battery, a site facility diagram of the battery showing actual conditions and piping must be submitted to the Authorized Officer. Facility diagrams shall be filed within sixty (60) days after existing facilities are modified. For complete information as to what is required on these diagrams, please refer to 43 CFR 3162.7-4 (d).

Pursuant to *Onshore Oil & Gas Order Number 1*, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in such a manner which conforms with applicable Federal laws and regulations and with State and Local laws and regulations to the extent that such State and local laws are applicable to operations on Federal and Indian lands.

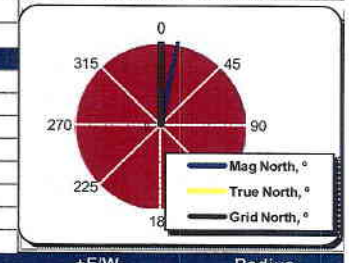
Date: Prepared by: Steven J. Lund

Steven J. Lund

Please direct all correspondence regarding this permit to:

Steven J. Lund
435.340.0557
steve@energyoftherockies.com

JOB INFORMATION			Well Details				
JOB NUMBER	TBD	Northing, ft	4371460.00	Latitude	39.491508	+/- North	
JOB START DATE	2/15/2010	Easting, ft	546144.00	Longitude	110.463381	+/- East	
JOB END DATE		Elevation, ft	5448' G.E.			Slot Name	A.C. #1-AX
COMPANY NAME	Native Navigation	*Vert. Sect, °*	273.30	TVD Ref	RKB		
AFE/API#	43-007-30099	Units, ft or m	Feet	Proj to Bit	0.00		
OPERATOR	Energy of the Rockies	Magnetics & Map Systems					
WELL NAME	Arco Chambers #1-AX	Current Datum	IGRF	Map System	NAD 83		
LOCATION	Carbon County, UT	Magnetic Date	1/29/10				
RIG NAME	Gunnison	Field Str, nT	52045.00				
REPRESENTATIVE	Tim McDonald	Declination, °	11.55				
DIRECTIONAL DRILLERS	Monte Archer / Darnell McQuitty	Dip Angle, °	65.28				
MWD COMPANY	Native Navigation	Mag North, °	11.55				
MWD PERSONNEL	Tom Hartley / Kevin Jones	True North, °	0.00				
COMPANY WEBSITE	www.nativenavigation.com	Grid North, °					



Target Description	Target #	Type	TVD	MD	VS	+N/S-	+E/W-	Radius
Land Lateral	Target #1	Radius	4484.00	4892.80	716.20	41.23	715.01	2.00
TD Lateral	Target #2	Radius	4484.00	5856.49	1679.88	96.71	-16677.10	2.00

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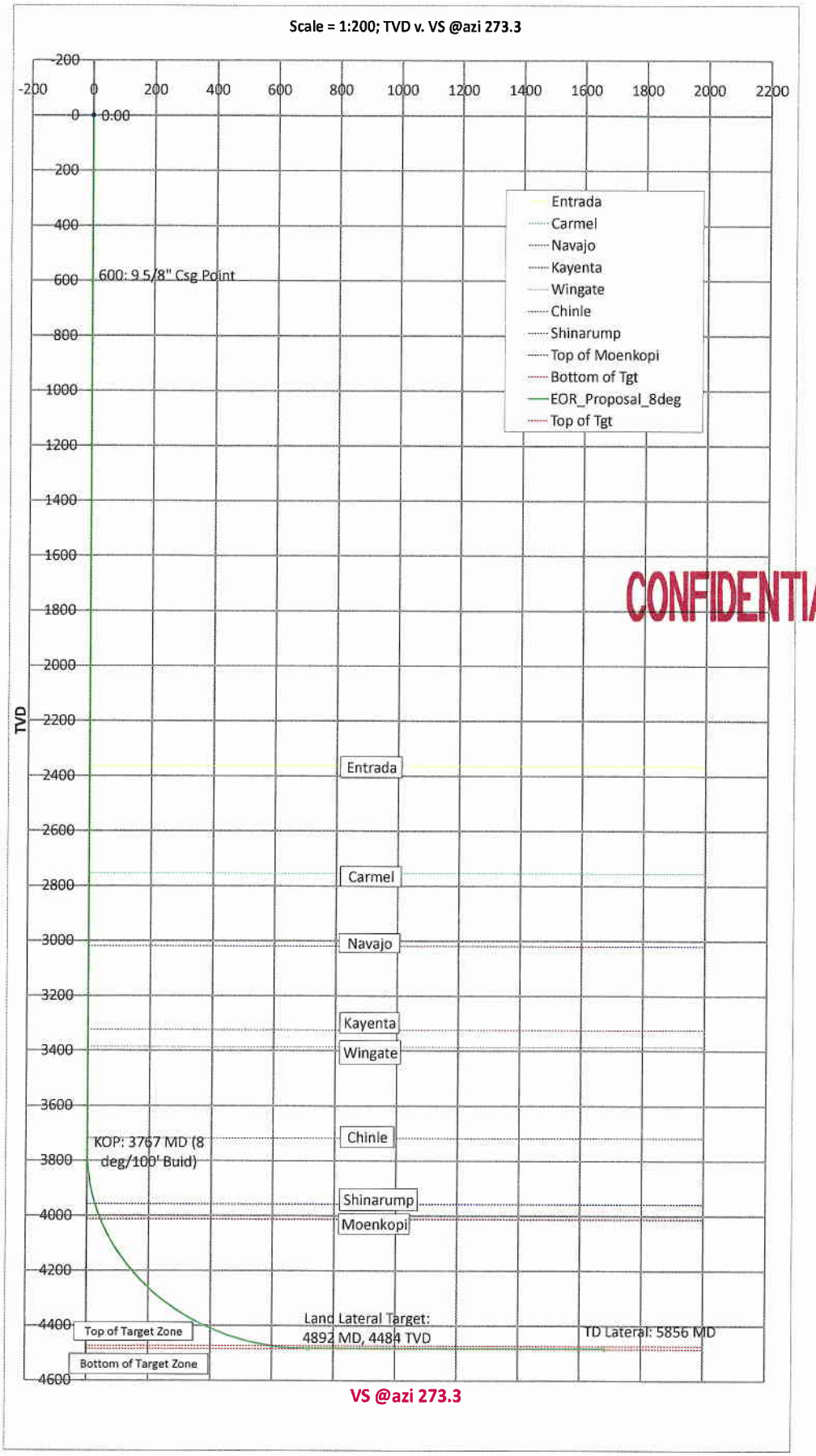

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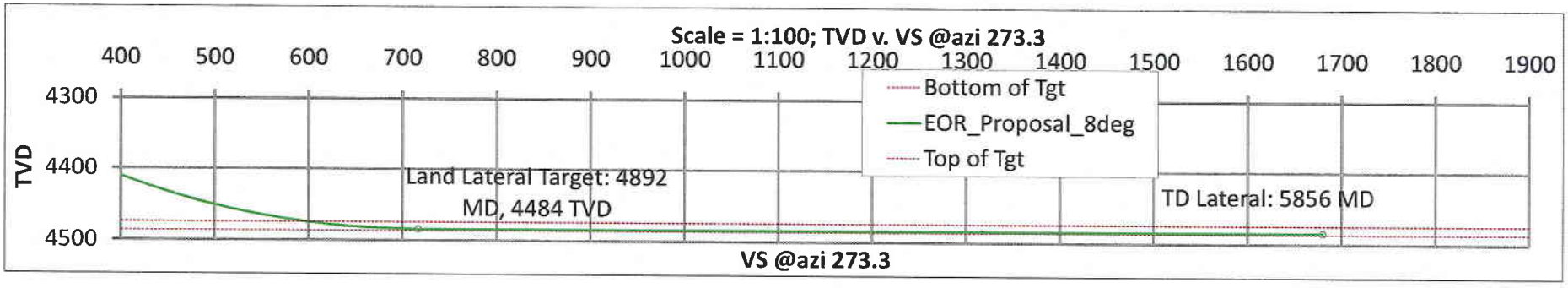

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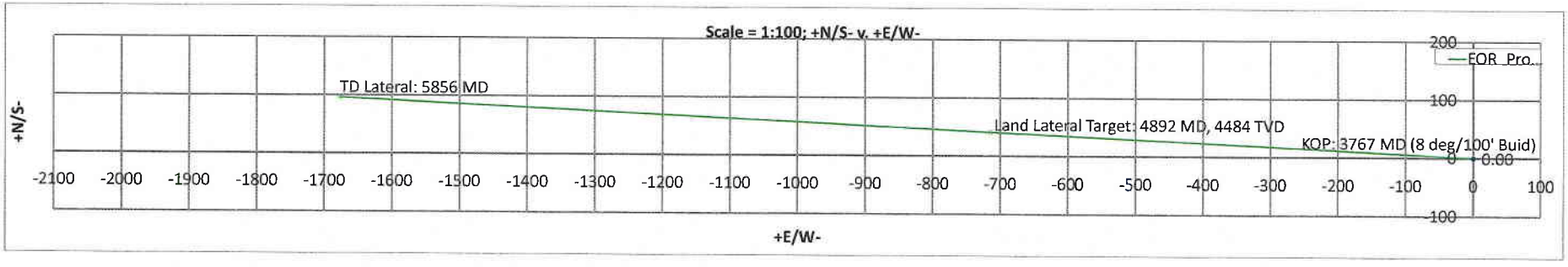

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Energy of The Rockies
Arco Chamber #1-AX

EOR_Proposal_8deg

No.	MD	CL	Inc	Azi	TVD	VS	+N/S-	+E/W-	BR	WR	DLS	Comments
0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				Surface @ RKB
1	100.00	100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	200.00	100.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00	
3	300.00	100.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	
4	400.00	100.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00	
5	500.00	100.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	
6	600.00	100.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00	9 5/8" Csg Point
7	700.00	100.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00	
8	800.00	100.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	900.00	100.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00	
10	1000.00	100.00	0.00	0.00	1000.00	0.00	0.00	0.00	0.00	0.00	0.00	
11	1100.00	100.00	0.00	0.00	1100.00	0.00	0.00	0.00	0.00	0.00	0.00	
12	1200.00	100.00	0.00	0.00	1200.00	0.00	0.00	0.00	0.00	0.00	0.00	
13	1300.00	100.00	0.00	0.00	1300.00	0.00	0.00	0.00	0.00	0.00	0.00	
14	1400.00	100.00	0.00	0.00	1400.00	0.00	0.00	0.00	0.00	0.00	0.00	
15	1500.00	100.00	0.00	0.00	1500.00	0.00	0.00	0.00	0.00	0.00	0.00	
16	1600.00	100.00	0.00	0.00	1600.00	0.00	0.00	0.00	0.00	0.00	0.00	
17	1700.00	100.00	0.00	0.00	1700.00	0.00	0.00	0.00	0.00	0.00	0.00	
18	1800.00	100.00	0.00	0.00	1800.00	0.00	0.00	0.00	0.00	0.00	0.00	
19	1900.00	100.00	0.00	0.00	1900.00	0.00	0.00	0.00	0.00	0.00	0.00	
20	2000.00	100.00	0.00	0.00	2000.00	0.00	0.00	0.00	0.00	0.00	0.00	
21	2100.00	100.00	0.00	0.00	2100.00	0.00	0.00	0.00	0.00	0.00	0.00	
22	2200.00	100.00	0.00	0.00	2200.00	0.00	0.00	0.00	0.00	0.00	0.00	
23	2300.00	100.00	0.00	0.00	2300.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	2365.00	65.00	0.00	0.00	2365.00	0.00	0.00	0.00	0.00	0.00	0.00	Entrada
25	2400.00	100.00	0.00	0.00	2400.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	2500.00	100.00	0.00	0.00	2500.00	0.00	0.00	0.00	0.00	0.00	0.00	
27	2600.00	100.00	0.00	0.00	2600.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	2700.00	100.00	0.00	0.00	2700.00	0.00	0.00	0.00	0.00	0.00	0.00	
29	2754.99	54.99	0.00	0.00	2754.99	0.00	0.00	0.00	0.00	0.00	0.00	Carmel
30	2800.00	100.00	0.00	0.00	2800.00	0.00	0.00	0.00	0.00	0.00	0.00	
31	2900.00	100.00	0.00	0.00	2900.00	0.00	0.00	0.00	0.00	0.00	0.00	
32	3000.00	100.00	0.00	0.00	3000.00	0.00	0.00	0.00	0.00	0.00	0.00	
33	3020.01	20.01	0.00	0.00	3020.01	0.00	0.00	0.00	0.00	0.00	0.00	Navajo
34	3100.00	100.00	0.00	0.00	3100.00	0.00	0.00	0.00	0.00	0.00	0.00	
35	3200.00	100.00	0.00	0.00	3200.00	0.00	0.00	0.00	0.00	0.00	0.00	
36	3300.00	100.00	0.00	0.00	3300.00	0.00	0.00	0.00	0.00	0.00	0.00	
37	3312.50	12.50	0.00	0.00	3312.50	0.00	0.00	0.00	0.00	0.00	0.00	Kayenta
38	3386.00	73.50	0.00	0.00	3386.00	0.00	0.00	0.00	0.00	0.00	0.00	Wingate
39	3400.00	100.00	0.00	0.00	3400.00	0.00	0.00	0.00	0.00	0.00	0.00	
40	3500.00	100.00	0.00	0.00	3500.00	0.00	0.00	0.00	0.00	0.00	0.00	
41	3600.00	100.00	0.00	0.00	3600.00	0.00	0.00	0.00	0.00	0.00	0.00	
42	3700.00	100.00	0.00	0.00	3700.00	0.00	0.00	0.00	0.00	0.00	0.00	
43	3718.00	18.00	0.00	360.00	3718.00	0.00	0.00	0.00	0.00	0.00	0.00	Chinle
44	3767.80	67.80	0.00	273.30	3767.80	0.00	0.00	0.00	0.00	-127.87	0.00	KOP (8 deg/100' Buid)
45	3800.00	32.20	2.58	273.30	3799.99	0.72	0.05	-0.72	8.00	0.00	8.00	
46	3900.00	100.00	10.58	273.30	3899.25	12.17	0.70	-12.15	8.00	0.00	8.00	
47	3960.31	60.31	15.40	273.30	3958.00	25.72	1.48	-25.67	8.00	0.00	8.00	Shinarump
48	4000.00	100.00	18.58	273.30	3995.95	37.31	2.15	-37.25	8.00	0.00	8.00	
49	4019.12	19.12	20.11	273.30	4014.00	43.64	2.52	-43.57	8.00	0.00	8.00	Moenkopi
50	4100.00	100.00	26.58	273.30	4088.22	75.67	4.36	-75.55	8.00	0.00	8.00	
51	4154.53	54.53	30.94	273.30	4136.01	101.90	5.87	-101.73	8.00	0.00	8.00	Oil/Gas/Water Possible
52	4200.00	100.00	34.58	273.30	4174.24	126.50	7.29	-126.29	8.00	0.00	8.00	
53	4300.00	100.00	42.58	273.30	4252.36	188.80	10.87	-188.49	8.00	0.00	8.00	
54	4400.00	100.00	50.58	273.30	4321.04	261.37	15.05	-260.94	8.00	0.00	8.00	
55	4500.00	100.00	58.58	273.30	4378.96	342.79	19.74	-342.22	8.00	0.00	8.00	
56	4600.00	100.00	66.58	273.30	4424.98	431.48	24.84	-430.77	8.00	0.00	8.00	
57	4700.00	100.00	74.58	273.30	4458.20	525.71	30.27	-524.84	8.00	0.00	8.00	
58	4800.00	100.00	82.58	273.30	4478.00	623.65	35.90	-622.62	8.00	0.00	8.00	
59	4892.80	92.80	90.00	273.30	4484.00	716.20	41.23	-715.01	8.00	0.00	8.00	Land Lateral Target
60	4900.00	7.20	90.00	273.30	4484.00	723.39	41.65	-722.19	0.00	0.00	0.00	
61	5000.00	100.00	90.00	273.30	4484.00	823.39	47.40	-822.03	0.00	0.00	0.00	
62	5085.25	85.25	90.00	273.30	4484.00	908.64	52.31	-907.13	0.00	0.00	0.00	
63	5856.49	771.24	90.00	273.30	4484.00	1679.88	96.71	-1677.10	0.00	0.00	0.00	TD Lateral

Form 3160-5
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. LEASE DESIGNATION AND SERIAL NUMBER:	UTU-77855
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
7. UNIT or CA AGREEMENT NAME:	Icelander
1. TYPE OF WELL: OIL [X] GAS [ ] OTHER [ ]	8. WELL NAME and NUMBER: Arco Chambers #1-AX Rigskid
2. NAME OF OPERATOR: Energy of the Rockies Alker Exploration LLC	9. API NUMBER 0 43 007 31518
3a. ADDRESS OF OPERATOR 97 North Main Street #2 (P.O. Box 87) CITY Manti STATE UT ZIP ##	3b. PHONE (435) 835-424 Office 435.340.0557 Mobil
	10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL FOOTAGE AT SURFACE: 2589' FNL & 1582 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 28-T15S-13E	11. County or Parish, State: Carbon

12. **CHECK APPROPRIATE BOX (ES) TO INDICATE NATURE OF NOTICE, REPORT, OR DATA**

TYPE OF SUBMISSION

[ ] Notice of Intent	[ ] ACIDIZE	[ ] DEEPEN	[ ] PRODUCTION (START/RESUME)	[ ] WATER SHUT-OFF
	[ ] ALTER CASING	[ ] FRACTURE TREAT	[ ] RECLAMATION	[ ] Well Integrity
[X] Subsequent Report	[ ] CASING REPAIR	[ ] NEW CONSTRUCTION	[ ] RECOMPLETE	[X] OTHER
	[ ] CHANGE PLANS	[ ] PLUG AND ABANDON	[ ] Temporarily Abandon	
[ ] Final Abandonment Notice	[ ] Convert to Injection	[ ] PLUG BACK	[X] WATER DISPOSAL	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

* **Accept liability for transporting produced water from Grassy Trails**

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY

Energy of the Rockies and Alker Exploration will use produced water to drill this well. The produced water will come from the Grassy Trails oil field operated by Genesis Petroleum US. Energy of the Rockies and Alker Exploration will accept all liability for transporting this produced water from Grassy Trails to the Arco Chambers #1-AX well location and will store the produced water in a lined reserve pit to support all drilling operations.

RECEIVED
FEB 16 2010
DIV. OF OIL, GAS & MINING

CONFIDENTIAL

14. I herby certify that the foregoing is true and correct

NAME (Printed/Typed) Steven J. Lund	Title Engineer
SIGNATURE	DATE 2/4/2010

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved by Conditions of approval, if any are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon	Title	Date
	Office PRICE FIELD OFFICE	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United State any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

*U.S. GOVERNMENT PRINTING OFFICE 2001-773 001/46035

UDOGM

COPY

CONFIDENTIAL

Form 3160-5
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-77855

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME: Icelander

1. TYPE OF WELL: OIL [X] GAS [ ] OTHER [ ]

8. WELL NAME and NUMBER: Arco Chambers #1-AX

2. NAME OF OPERATOR: Alker Exploration LLC

9. API NUMBER: 43-007-31518

3a. ADDRESS OF OPERATOR: 5360 Vine Hill Road, CITY Sebastopol, STATE CA, ZIP 95472

3b. PHONE: (435) 835-424 Office, 435.340.0557 Mobil

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL
FOOTAGE AT SURFACE: SWNE 2589' FNL & 1582 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: 28-T15S-13E

11. County or Parish, State: Carbon

12. **CHECK APPROPRIATE BOX (ES) TO INDICATE NATURE OF NOTICE, REPORT, OR DATA**

TYPE OF SUBMISSION

[ ] Notice of Intent	[ ] ACIDIZE	[ ] DEEPEN	[ ] PRODUCTION (START/RESUME)	[ ] WATER SHUT-OFF
[X] Subsequent Report	[ ] ALTER CASING	[ ] FRACTURE TREAT	[ ] RECLAMATION	[ ] Well Integrity
[ ] Final Abandonment Notice	[ ] CASING REPAIR	[ ] NEW CONSTRUCTION	[ ] RECOMPLETE	[X] OTHER Spudd well Set New Surface Casing
	[X] CHANGE PLANS	[ ] PLUG AND ABANDON	[ ] Temporarily Abandon	
	[ ] Convert to Injection	[ ] PLUG BACK	[ ] WATER DISPOSAL	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

* **Perform a mechanical integrity test**

The Arco Chambers #1-A failed an MIT. The rig was skid and the Arco Chambers #1-AX was Spud accordingly:
This well was spud at 11:00 am, January 30, 2010
Set 8' on 14" conductor
Drilled 610' on 12 1/4" hole, set 600' of 9 5/8" J-55 Casing
Cement with 310 sacks of Premium Cement, Good returns to surface (2/3/2010)
Drill Rat hole and mouse hole for Gunnision Rig 101
Rig down Ross Drilling, re-grade and level location for Gunnsion Rig 101.
Waiting on Gunnision Rig 101
- Bond Number is UTB-0000341

14. I herby certify that the foregoing is true and correct

NAME (Printed/Typed): Steven J. Lund — Title: Engineer

SIGNATURE: Steven J. Lund — DATE: 2/25/2010

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved by

Conditions of approval, if any are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon

Title | Date

Office

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(Instructions on reverse)

*U.S. GOVERNMENT PRINTING OFFICE 2001-773 001/46035

RECEIVED
SEP 29 2010
DIV. OF OIL, GAS & MINING

CONFIDENTIAL

Form 3160-5
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

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SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-77855

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME: Icelander

1. TYPE OF WELL: OIL [X] GAS [ ] OTHER [ ]

8. WELL NAME and NUMBER: Arco Chambers #1-AX

2. NAME OF OPERATOR: Alker Exploration LLC

9. API NUMBER: 4300731518

3a. ADDRESS OF OPERATOR: 5360 Vine Hill Road or P.O. Box 87, Manti, Utah 84642
CITY Sebastopol STATE CA ZIP 95472

3b. PHONE (435) 835-424 Office 435.340.0557 Mobil

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL
FOOTAGE AT SURFACE: SWNE 2589' FNL & 1582 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: 28-T15S-R13E

11. County or Parish, State: Carbon

12. **CHECK APPROPRIATE BOX (ES) TO INDICATE NATURE OF NOTICE, REPORT, OR DATA**

TYPE OF SUBMISSION

[ ] Notice of Intent	[ ] ACIDIZE	[ ] DEEPEN	[ ] PRODUCTION (START/RESUME)	[ ] WATER SHUT-OFF
[X] Subsequent Report	[ ] ALTER CASING	[ ] FRACTURE TREAT	[ ] RECLAMATION	[ ] Well Integrity
[ ] Final Abandonment Notice	[ ] CASING REPAIR	[ ] NEW CONSTRUCTION	[ ] RECOMPLETE	[ ] OTHER
	[ ] CHANGE PLANS	[ ] PLUG AND ABANDON	[ ] Temporarily Abandon	
	[ ] Convert to Injection	[ ] PLUG BACK	[ ] WATER DISPOSAL	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be perfonned or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

* **Monthly Drilling Reports for February, March and April of 2010**

See Attached

14. I herby certify that the foregoing is true and correct

NAME (Printed/Typed): Steven J. Lund — Title: Engineer

SIGNATURE: Steven J. Lund — DATE: 9/28/10

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved by

Conditions of approval, if any are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon

Title | Date

Office

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(Instructions on reverse)

*U.S. GOVERNMENT PRINTING OFFICE 2001-773 001/46035

RECEIVED
SEP 2 9 2010
DIV. OF OIL, GAS & MINING

ARCO CHAMBERS #1-AX	
DATE	FEBRUARY 2010 DRILLING COMMENTS FOR GUNNISON RIG 101 SUMMARY
12-Feb-10	A mechanical integrity test was done on the existing Arco Chambers #1 well bore. The MIT failed requiring a new well bore to be drilled. There is no way to gyro the old well bore to TD, therefore we do not know where this well bore goes. We do have some of the old surveys and will use them as a possible guide but we must avoid a collision with the 5 1/2" stub that is about 2811'. A collision with this stub will result in re-drilling the hole and steering away from it. Therefore it has been decided that we will steer this well from the beginning which will increase cost and time. This will increase the cost of the well.
13-Feb-10	Move and off load rig haul in road base level location for rig up finish setting and rigging up housing Worked daylite hours 0700 - 1730
14-Feb-10	Looking for 7" pipe will go with Bourland and Leveritch Move In and rig up Gunnison rig 101 Set matting boards, Set subase, Set draworks on floor,
15-Feb-10	Rig up
16-Feb-10	Rig up, Worked two crews 12 hrs 0700 - 0700
17-Feb-10	Nipple up B.O.P, rig up floor p/u kelly and spinner It has taken Gunnison 5 days to rig up. That is too long. Gunnison's BOP will not fit the well head flange. This is why we invited Joe Savage to come out and look at the wellhead flange before we even installed it to make sure their BOP would fit it. Gunnison now has to rent a BOP at their expense. We are paying for a complete rig. The shale shakers are old and could fail. We can't find the finer screens for them Ordered 5378' of 7" pipe $90,990.67 from Bourland & Leveritch
18-Feb-10	 Gunnison is still rigging up, day 6.... The mud engineer is not happy about the shaker screens. The mesh size is too large, smaller mesh size screens are not made for these old shakers. Received new AP# 43-007-31518 Nipple up choke Flare lines and hyd choke H2s Training Finish nipple up B.O.P and lines Pressure test B.O.P Rig up fuel to rig, Install shaker screens, Set pipe racks load and strap BHA, Prime pumps, clear floor to pick up BHA
19-Feb-10	**FINISHED RIGGING UP AND STARTED DRILLING** because of the uncertainty of hitting the others well bore stub at 2811' we are drilling directional FROM 725' TO TD Rig up survey machine Pick up BHA Work on air lines Drilling cement float and shoe 560 - 630 Drilling 630' - 725' Trip out pick up monel change and yest swivel packing. **TRIP #1 from 725' in 6.5 hours ?????** Drilling 725 - 819 Survey @ 748 Miss run Circ & work on survey tool Survey @ 748 Drilling 819 - 998
20-Feb-10	**Tripping is taking too long. This crew shouldn't take three hours to trip 1341' of pipe.** Heater not working in some of the houses **TRIP #2: 9.5 HOURS TO TRIP 1341 FEET**
21-Feb-10	Drilling is slow but we are setting the well up to be in good shape for the kick off of the lateral. Bit selection seems to be a problems. **TRIP #3: 5.5 HOURS AND STILL TRIPPING**
22-Feb-10	Drilling is going well but slow the crew seems to be unsure of THEMSELVES, THEY ARE RE-LEARNING THIS RIG ON OUR TIME
23-Feb-10	I am having flash backs of Patterson with the rig repairs, and slow crews **TRIP #4: 10.5 HOURS TO TRIP 2658'**
24-Feb-10	Mud looks good the hole is tight but is doing well. The tight spot was reamed and cleaned, Ed found a wash out in a collar. The string was supposed to have been inspected. Bit selection seems to be the biggest problem The Navajo is not the same here as it is in Farnham or Grassy Trails. No shows of CO2 in Navajo. Will release H2S safety crew as soon as 7" is set. **TRIP #5: 10 HOURS TO TRIP 2784' OF PIPE**
25-Feb-10	Replace mud motor we need better shale shakers and finer screens Mud pumps are having a problems. Per Joe the pumps were rebuilt not long ago. **TRIP #6 10.5 HOURS TO TRIP IN HOLE 3019'**
26-Feb-10	Grand Canyon Group seems to be tight and slow drilling. Trips are still slow **TRIP #7: 8.5 HOURS TO TRIP 3049'**
27-Feb-10	Tripping out, due to a failure in the mud motor. This is more than likely a result of the screens on the shale shakers having to large a mesh size. This is the smallest mesh size for these shakers. One round trip as taken almost 12 hours. This is unacceptable.

	TRIP #8: 8.5 HOURS TO TRIP 3185'
28-Feb-10	10 DAYS to get to this point... This is really unacceptable performance. The factors that contribute to the slow
	drilling is the fact that we are steering away from the others well bore and bit performance has not been as
	good as it should have been and trip time is too slow. We have had
	FINAL COMMENTS FOR FEBRUARY WORK The biggest problem in February activity is the slow rig up times and trip times. The crews seem unsure of what to do. They appear to be unfamiliar with the rig. Gunnsion assured us that these hands were experienced and new this rig well. Trip times of 8.5 hours to trip 3185' are unacceptable. I ought to take an 2 minutes per stand to pull this pipe. Even at 5 min. per stand is should take 4 hours

	ARCO CHAMBERS #1-AX
DATE	MARCH 2010 DRILLING COMMENTS FOR GUNNISON RIG 101 SUMMARY
1-Mar-10	Drilling and preparing to kick off. KOP looks to be at 3750' Mark Koury will be geosteering the well.
2-Mar-10	Prep for KOP re-assembling the drill string for kick off.
	TRIP #9: 19.5 HOURS TO RE-ASSEMBLE DRILL STRING AND TRIP from 3200'
3-Mar-10	Slide drilling to kick off. KOP is at 3750'
	Pumps ability to achieve the rates of 400 - 600 gpm are in question
4-Mar-10	Bit selection still a problem, lost mud motor
	TRIP #10: 8 HOURS TO TRIP FROM 3754'
5-Mar-10	Pumps becoming a real problem not able to achieve the expected rates.
6-Mar-10	**TRIP #11: 10 HOURS TO TRIP 2963'. DIRECTIONAL DRILLERS SPECIFICALLY TOLD NOT TO PUT ON STABLIZER**
	TRIP # 12: 9 HOURS TO TRIP FROM 3860' TO REMOVE STABLIZER. This one is on Native Nav.
7-Mar-10	Drilling looks good, slow but direction and control are good. We are developing some extra angle just in case on an
	emergency
	Bit TRIP #13: Trip to change bit finding the right bit is going against all normal conventions for this lithology
8-Mar-10	**Trip for 9.5 hours to 3750' CHANGE OUT BIT TO HUGHES Q-506 FX**
	HUGHES BIT DRILLING GREAT
	Pumps are failing. Drilling Super was told to find alternative pumps in case of failure.
9-Mar-10	**TRIP #14: Short trip due to pump fialure.**
	Per Neil Allen Pumps were recently gone through and totally rebuilt.
	Liners in pumps washing out and failing. This is causing poor performance on footage. As soon as we set 7" casing
10-Mar-10	pumps will be replaces
	TRIP #15: DUE TO PUMP FAILURE.
	Hughes 506 bit drilling great, strongly recommend for next hole. Pumps failing and belts not proper for pumps
11-Mar-10	**TRIP #16: Short trip to casing shoe due to pump failure.**
	TRIP #17: Trip from casing shoe to surface to change motor and batteries.
	New belts were in Casper, why Gunnison doesn't have them on the rig is a serious question. I was told they had 2 of
12-Mar-10	everything.
	Joe Savage looking for replacement pumps. He is not looking very hard.
13-Mar-10	22 HOURS WAITING ON BELTS..... THIS IS ALL ON GUNNISON, ALL EXPENSES FOR THE CAMP FOR THE DAY.
	RAN 122 JOINTS 7 INCH J-55 20# CASING TOTAL LENGTH 4930.94
	SHOE SET@ 4925.94 FLOAT SET@ 4883.33 MARKER JOINT 20.60
14-Mar-10	SET @ 2973
	Shut down Gunnison to get rig pumps repaired. Joe was to get replacemnent pumps
	but didn't find an acceptable pump
	All moving for pump repair on Gunnison
15-Mar-10	RIG REPAIR MUD PUMPS
16-Mar-10	RIG REPAIR MUD PUMPS
17-Mar-10	RIG REPAIR MUD PUMPS
18-Mar-10	RIG REPAIR MUD PUMPS
19-Mar-10	RIG REPAIR MUD PUMPS
20-Mar-10	RIG REPAIR MUD PUMPS
21-Mar-10	RIG REPAIR MUD PUMPS
22-Mar-10	RIG REPAIR MUD PUMPS
23-Mar-10	RIG REPAIR MUD PUMPS
24-Mar-10	RIG REPAIR MUD PUMPS
25-Mar-10	RIG REPAIR MUD PUMPS
26-Mar-10	RIG REPAIR MUD PUMPS
27-Mar-10	RIG REPAIR MUD PUMPS
28-Mar-10	RIG REPAIR MUD PUMPS
29-Mar-10	RIG REPAIR MUD PUMPS
30-Mar-10	RIG REPAIR MUD PUMPS
31-Mar-10	RIG REPAIR MUD PUMPS

ARCO CHAMBERS #1-AX	
DATE	
4/1/2010	RIG REPAIR MUD PUMPS
4/2/2010	RIG REPAIR MUD PUMPS
4/3/2010	RIG REPAIR MUD PUMPS
4/4/2010	RIG REPAIR MUD PUMPS
4/5/2010	RIG REPAIR MUD PUMPS
4/6/2010	RIG REPAIR MUD PUMPS
4/7/2010	RIG REPAIR MUD PUMPS
4/8/2010	Pumps repaired. Per Ed Mckelevy the pump had not been gone through for a long time. The pumps had been running
	backwards and were in poor condition.
4/9/2010	Drilling going well. Per Henry Alker, Ed Gray and Steve Lund it is agreed tha we will drop down and look at the bottom
	of the B Zone and then move back up if the bottom does not look good.
	Geo steering looking good. We are on target.
4/10/2010	Drilling going well. Per Henry Alker, Ed Gray and Steve Lund it is agreed tha we will drop down and look at the bottom
	of the B Zone and then move back up if the bottom does not look good.
	Geo steering looking good. We are on target.
4/11/2010	Drilling going well stop at 6308. Saw an increase in P-rate at last 100 feet
4/12/2010	Prep to run image log. Brought Fuel
4/13/2010	Prep to run 4.5" casing. Due to low expectation of water production slotted liner will be run from 7" shoe to end of lateral
4/14/2010	Casing hanger would not fit in head. Re-worked liner hanger and ran 2582' of 4.5" casing (65 jts.)
4/15/2010	Waiting on image log analysis before running tubing and pump, TOH set RBP

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Alker Exploration

Operator Account Number: N 1880

Address: 5360 Vine Hill Road

city Sebastopol

state CA zip 95472

Phone Number: (435) 340-0557

Well 1 43007 31518 SWNE

API Number	Well Name		QQ	Sec	Twp	Rng	County
~~4300730099~~	Arco Chambers 1-AX		↑	28	15S	13E	Carbon
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
A	99999	17823	2/1/2010			10/28/10	
Comments: Please assign a new Entity Number. MNKP BHL= SENW						CONFIDENTIAL	

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
Comments:							

ACTION CODES:

- **A** - Establish new entity for new well (single well only)
- **B** - Add new well to existing entity (group or unit well)
- **C** - Re-assign well from one existing entity to another existing entity
- **D** - Re-assign well from one existing entity to a new entity
- **E** - Other (Explain in 'comments' section)

Steven J. Lund
Name (Please Print)

Signature

Consultant
Title

10/28/2010
Date

(5/2000)

RECEIVED
OCT 28 2010
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

AMENDED REPORT ☐ (highlight changes) FORM 8

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 77855

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

1a. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ DRY ☐ OTHER

7. UNIT or CA AGREEMENT NAME: Ice Lander Unit

b. TYPE OF WORK: NEW WELL ☑ HORIZ. LATS. ☑ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER

8. WELL NAME and NUMBER: Arco Chamber 1-AX

2. NAME OF OPERATOR: Alker Exploration LLC

9. API NUMBER: 43-007-315 / 8

3. ADDRESS OF OPERATOR: 5360 Vine Hill Road CITY Sebastopol STATE CA ZIP 95472

PHONE NUMBER: (435) 340-0557

10 FIELD AND POOL, OR WILDCAT

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: SWNE 2589' FNL & 1582' FEL
AT TOP PRODUCING INTERVAL REPORTED BELOW: 2543 FNL & 1480 FWL
AT TOTAL DEPTH: 2494 4 2543 FNL & 1582' FEL BHL by HSM

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 28 15S 13E

12. COUNTY: Carbon

13. STATE: UTAH

14. DATE SPUDDED: 1/30/2010

15. DATE T.D. REACHED: 4/15/2010

16. DATE COMPLETED: 4/10/2011 ABANDONED ☑ READY TO PRODUCE ☐

17. ELEVATIONS (DF, RKB, RT, GL): GR=5452'

18. TOTAL DEPTH: MD 6,268 TVD 4,452 5064

19. PLUG BACK T.D.: MD 2,775 TVD 2,775 1

20. IF MULTIPLE COMPLETIONS, HOW MANY? * N/A

21. DEPTH BRIDGE PLUG SET: MD TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
Dual Induction, Guard Log, Gamma Log,Compensated Density, CBL, Image Log

23.
WAS WELL CORED? NO ☑ YES ☐ (Submit analysis)
WAS DST RUN? NO ☑ YES ☐ (Submit report)
DIRECTIONAL SURVEY? NO ☐ YES ☑ (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12 1/4"	9 5/8" J-55	36 #/ft	0	600		G 310		0	0
8 3/4"	7" J-55	20#/ft	0	4,925	3,172	G 410			

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) Moenkopi	4,014	4,588	4,014	4,588
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
			Open ☐ Squeezed ☑
			Open ☐ Squeezed ☐
			Open ☐ Squeezed ☐
			Open ☐ Squeezed ☐

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL

RECEIVED
FEB 16 2012
DIV. OF OIL, GAS & MINING

29. ENCLOSED ATTACHMENTS:

☑ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☑ DIRECTIONAL SURVEY
☑ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER:

30. WELL STATUS: P&A

(5/2000)

(CONTINUED ON BACK)

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Moenkopi	4,014	4,588	Sulfur odor in Brine water		

35. ADDITIONAL REMARKS (Include plugging procedure)

Slotted Liner was run in the lateral and then retrieved before P&A, Cement was pumped through the complete lateral

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) STEVEN S. LUNDY TITLE Engineer

SIGNATURE [signature] DATE 2/14/2012

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

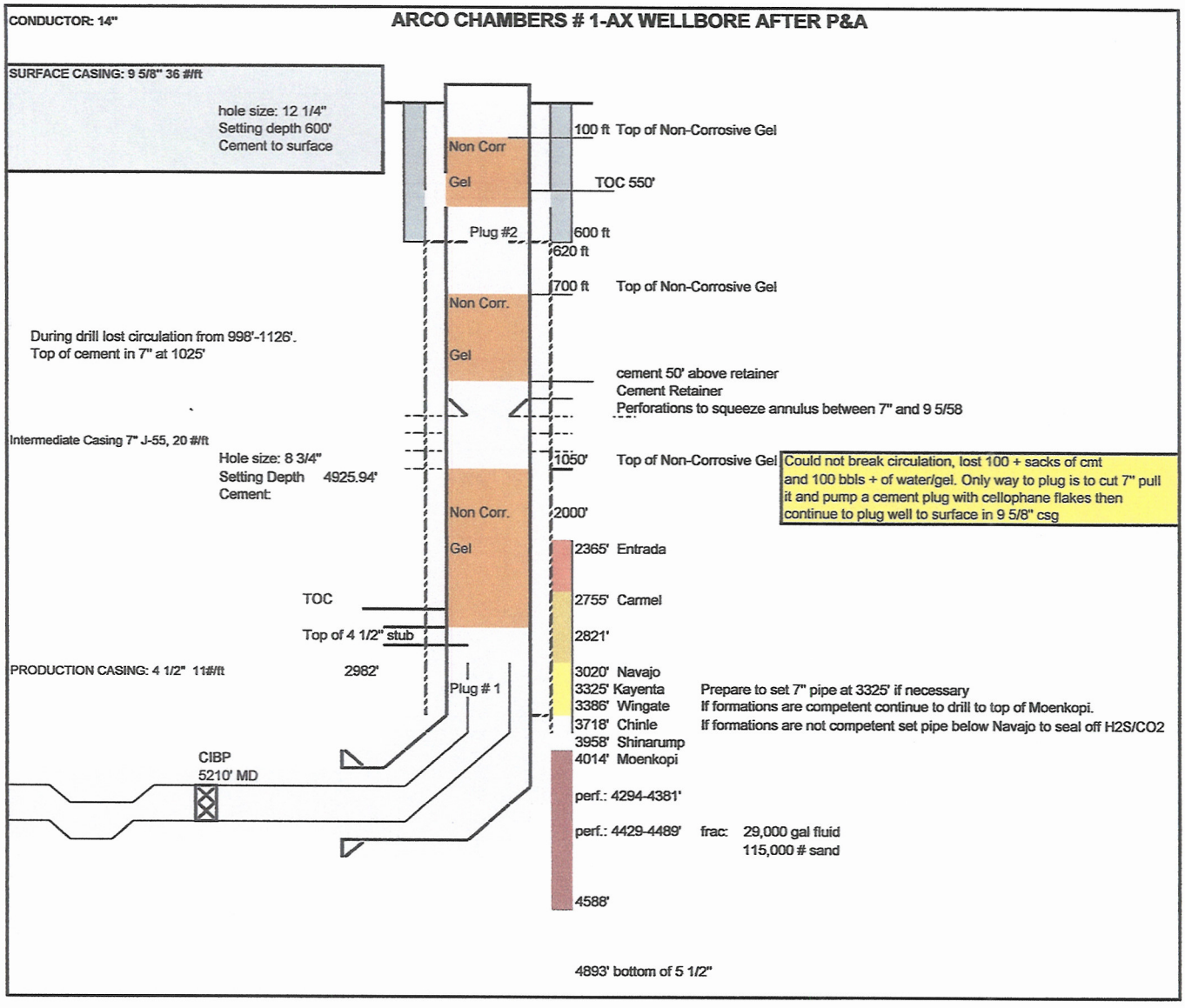
Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

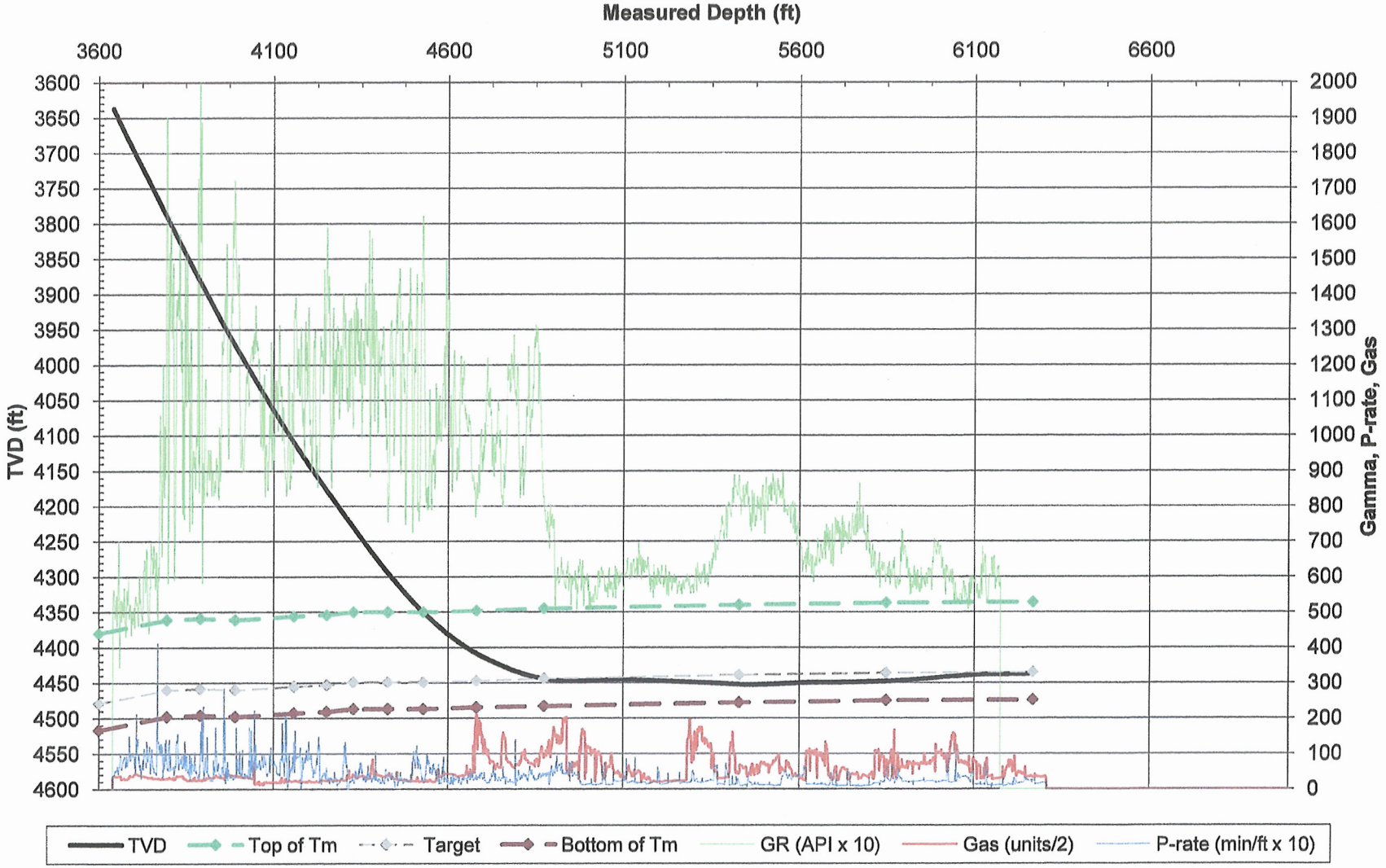
Fax: 801-359-3940

(5/2000)

ARCO CHAMBERS # 1-AX WELLBORE AFTER P&A



Arco Chambers #1-AX



NATIVE NAVIGATION
DIRECTIONAL DRILLING SPECIALISTS

830 Winters Ave.
Grand Junction, CO 81501
888-527-9797

Arco Chamber #1-AX Surveys
Energy of the Rockies
Gunnison Rig #101
Directional Surveys Supplied by Native Navigation from Surface (RKB) to 6205' (71' from TD)
Date of Final Survey: 4/12/20120 Survey Report Date: 5/1/2010

Minimum Curvature Calculation Method
Surveys corrected and measured from True North
Magnetic declination used : 11.55°

Definitive Survey Report

No.	MD	CL	Inc.	Azi.	TVD	VS	+N/S-	+E/W-	BR	WR	DLS	Comments
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				Surface Reference @ RKB
2	748.00	748.00	2.20	257.00	747.82	13.78	-3.23	-13.99	0.29	34.36	0.29	Electronic Single Shot
3	1005.00	257.00	4.80	218.00	1004.35	24.64	-12.81	-25.42	1.01	-15.18	1.32	Electronic Single Shot
4	1261.00	256.00	6.20	211.00	1259.16	37.17	-33.11	-39.14	0.55	-2.73	0.61	Electronic Single Shot
5	1279.00	18.00	6.50	203.30	1277.05	37.97	-34.87	-40.04	1.67	-42.78	5.01	Native Navigation EM-MWD
6	1411.00	132.00	4.00	217.10	1408.49	43.08	-45.41	-45.77	-1.89	10.45	2.11	Native Navigation EM-MWD
7	1505.00	94.00	0.70	295.90	1502.41	45.44	-47.78	-48.27	-3.51	83.83	4.18	Native Navigation EM-MWD
8	1598.00	93.00	2.30	357.50	1595.38	46.15	-45.66	-48.86	1.72	66.24	2.22	Native Navigation EM-MWD
9	1693.00	95.00	2.50	356.60	1690.30	46.59	-41.69	-49.07	0.21	-0.95	0.21	Native Navigation EM-MWD
10	1789.00	96.00	3.00	13.60	1786.19	46.38	-37.16	-48.60	0.52	17.71	0.99	Native Navigation EM-MWD
11	1884.00	95.00	3.10	29.20	1881.06	44.81	-32.50	-46.76	0.11	16.42	0.88	Native Navigation EM-MWD
12	1978.00	94.00	3.30	25.20	1974.91	42.69	-27.83	-44.37	0.21	-4.26	0.32	Native Navigation EM-MWD
13	2072.00	94.00	2.50	37.00	2068.79	40.55	-23.75	-41.98	-0.85	12.55	1.06	Native Navigation EM-MWD
14	2167.00	95.00	2.60	35.70	2163.70	38.24	-20.34	-39.48	0.11	-1.37	0.12	Native Navigation EM-MWD
15	2262.00	95.00	2.20	26.30	2258.61	36.38	-16.96	-37.41	-0.42	-9.89	0.59	Native Navigation EM-MWD
16	2356.00	94.00	2.00	64.80	2352.55	34.23	-14.64	-35.13	-0.21	40.96	1.49	Native Navigation EM-MWD
17	2451.00	95.00	2.00	65.10	2447.50	31.31	-13.24	-32.13	0.00	0.32	0.01	Native Navigation EM-MWD
18	2545.00	94.00	1.50	53.40	2541.45	28.92	-11.81	-29.65	-0.53	-12.45	0.65	Native Navigation EM-MWD
19	2640.00	95.00	1.60	41.00	2636.42	27.16	-10.07	-27.78	0.11	-13.05	0.37	Native Navigation EM-MWD
20	2734.00	94.00	1.70	72.00	2730.38	25.06	-8.65	-25.60	0.11	32.98	0.94	Native Navigation EM-MWD
21	2859.00	125.00	2.00	96.50	2855.32	21.15	-8.32	-21.67	0.24	19.60	0.67	Native Navigation EM-MWD
22	2952.00	93.00	2.10	93.40	2948.26	17.83	-8.61	-18.35	0.11	-3.33	0.16	Native Navigation EM-MWD
23	3047.00	95.00	1.90	87.50	3043.20	14.52	-8.64	-15.04	-0.21	-6.21	0.30	Native Navigation EM-MWD
24	3141.00	94.00	2.10	52.70	3137.15	11.66	-7.53	-12.11	0.21	-37.02	1.29	Native Navigation EM-MWD
25	3236.00	95.00	2.40	44.60	3232.07	9.03	-5.06	-9.33	0.32	-8.53	0.46	Native Navigation EM-MWD
26	3330.00	94.00	2.20	47.10	3326.00	6.48	-2.43	-6.63	-0.21	2.66	0.24	Native Navigation EM-MWD
27	3424.00	94.00	2.80	39.30	3419.91	3.88	0.57	-3.85	0.64	-8.30	0.73	Native Navigation EM-MWD
28	3519.00	95.00	2.20	23.10	3514.82	1.90	4.05	-1.67	-0.63	-17.05	0.97	Native Navigation EM-MWD
29	3613.00	94.00	2.20	4.90	3608.75	1.24	7.50	-0.81	0.00	-19.36	0.74	Native Navigation EM-MWD
30	3642.00	29.00	2.00	353.90	3637.73	1.30	8.56	-0.81	-0.69	-37.93	1.55	Native Navigation EM-MWD
31	3673.00	31.00	3.20	316.90	3668.70	2.02	9.73	-1.46	3.87	-119.36	6.46	Native Navigation EM-MWD
32	3704.00	31.00	5.50	293.20	3699.61	4.04	10.95	-3.42	7.42	-76.45	9.27	Native Navigation EM-MWD
33	3735.00	31.00	7.90	281.30	3730.40	7.55	11.95	-6.87	7.74	-38.39	8.90	Native Navigation EM-MWD
34	3765.00	30.00	10.90	282.50	3759.99	12.39	12.97	-11.67	10.00	4.00	10.02	Native Navigation EM-MWD
35	3795.00	30.00	13.50	279.60	3789.31	18.67	14.17	-17.89	8.67	-9.67	8.90	Native Navigation EM-MWD
36	3826.00	31.00	15.60	278.20	3819.32	26.42	15.37	-25.58	6.77	-4.52	6.87	Native Navigation EM-MWD
37	3856.00	30.00	18.00	276.70	3848.03	35.07	16.48	-34.18	8.00	-5.00	8.13	Native Navigation EM-MWD
38	3887.00	31.00	20.40	275.20	3877.31	45.25	17.53	-44.32	7.74	-4.84	7.90	Native Navigation EM-MWD
39	3917.00	30.00	22.70	274.30	3905.21	56.27	18.44	-55.30	7.67	-3.00	7.74	Native Navigation EM-MWD
40	3948.00	31.00	25.50	273.80	3933.50	68.93	19.33	-67.93	9.03	-1.61	9.06	Native Navigation EM-MWD
41	3979.00	31.00	27.60	272.20	3961.23	82.78	20.05	-81.76	6.77	-5.16	7.16	Native Navigation EM-MWD
42	4009.00	30.00	30.20	271.70	3987.50	97.27	20.54	-96.25	8.67	-1.67	8.70	Native Navigation EM-MWD
43	4040.00	31.00	32.20	271.60	4014.01	113.32	21.00	-112.30	6.45	-0.32	6.45	Native Navigation EM-MWD
44	4070.00	30.00	34.20	271.60	4039.11	129.74	21.46	-128.72	6.67	0.00	6.67	Native Navigation EM-MWD
45	4101.00	31.00	36.10	271.40	4064.46	147.58	21.93	-146.56	6.13	-0.65	6.14	Native Navigation EM-MWD
46	4132.00	31.00	38.10	271.70	4089.18	166.27	22.43	-165.25	6.45	0.97	6.48	Native Navigation EM-MWD
47	4162.00	30.00	40.20	271.60	4112.44	185.20	22.98	-184.18	7.00	-0.33	7.00	Native Navigation EM-MWD
48	4188.00	26.00	42.50	270.90	4131.96	202.37	23.35	-201.36	8.85	-2.69	9.02	Native Navigation EM-MWD
49	4224.00	36.00	44.70	270.10	4158.03	227.16	23.56	-226.18	6.11	-2.22	6.30	Native Navigation EM-MWD
50	4254.00	30.00	45.60	269.50	4179.19	248.39	23.49	-247.45	3.00	-2.00	3.32	Native Navigation EM-MWD
51	4285.00	31.00	46.00	269.70	4200.80	270.57	23.33	-269.67	1.29	0.64	1.37	Native Navigation EM-MWD
52	4316.00	31.00	46.80	270.20	4222.18	292.98	23.31	-292.12	2.58	1.61	2.83	Native Navigation EM-MWD
53	4347.00	31.00	47.90	270.10	4243.18	315.74	23.37	-314.92	3.55	-0.32	3.56	Native Navigation EM-MWD
54	4377.00	30.00	49.40	270.10	4263.00	338.23	23.41	-337.44	5.00	0.00	5.00	Native Navigation EM-MWD
55	4408.00	31.00	51.40	269.90	4282.76	362.07	23.41	-361.33	6.45	-0.65	6.47	Native Navigation EM-MWD
56	4439.00	31.00	53.70	270.30	4301.61	386.64	23.46	-385.93	7.42	1.29	7.49	Native Navigation EM-MWD
57	4469.00	30.00	55.90	270.80	4318.90	411.13	23.69	-410.45	7.33	1.67	7.46	Native Navigation EM-MWD
58	4500.00	31.00	58.00	271.70	4335.81	437.09	24.26	-436.42	6.77	2.90	7.20	Native Navigation EM-MWD
59	4532.00	32.00	61.00	274.80	4352.05	464.66	25.84	-463.94	9.37	9.69	12.55	Native Navigation EM-MWD
60	4564.00	32.00	64.00	274.50	4366.82	493.03	28.14	-492.23	9.37	-0.94	9.41	Native Navigation EM-MWD
61	4596.00	32.00	67.20	274.20	4380.04	522.16	30.35	-521.28	10.00	-0.94	10.04	Native Navigation EM-MWD
62	4627.00	31.00	69.80	274.20	4391.40	551.00	32.46	-550.05	8.39	0.00	8.39	Native Navigation EM-MWD
63	4659.00	32.00	71.90	274.70	4401.90	581.22	34.80	-580.18	6.56	1.56	6.73	Native Navigation EM-MWD

NATIVE NAVIGATION

830 Winters Ave.
Grand Junction, CO 81501
888-527-9797

64	4691.00	32.00	74.90	274.80	4411.04	611.88	37.34	-610.74	9.37	0.31	9.38 Native Navigation EM-MWD
65	4723.00	32.00	77.20	274.80	4418.75	642.92	39.94	-641.68	7.19	0.00	7.19 Native Navigation EM-MWD
66	4754.00	31.00	77.80	275.30	4425.46	673.17	42.61	-671.83	1.94	1.61	2.49 Native Navigation EM-MWD
67	4786.00	32.00	78.60	275.20	4432.01	704.48	45.47	-703.02	2.50	-0.31	2.52 Native Navigation EM-MWD
68	4817.00	31.00	81.40	275.20	4437.39	734.98	48.24	-733.42	9.03	0.00	9.03 Native Navigation EM-MWD
69	4849.00	32.00	83.90	275.10	4441.48	766.70	51.09	-765.03	7.81	-0.31	7.82 Native Navigation EM-MWD
70	4880.00	31.00	84.70	275.10	4444.56	797.53	53.83	-795.76	2.58	0.00	2.58 Native Navigation EM-MWD
71	4895.00	15.00	85.80	274.50	4445.80	812.48	55.08	-810.65	7.33	-4.00	8.35 Native Navigation EM-MWD
72	4910.00	15.00	86.90	271.60	4446.76	827.44	55.88	-825.60	7.33	-19.33	20.64 Native Navigation EM-MWD
73	4940.00	30.00	89.80	271.60	4447.62	857.42	56.71	-855.57	9.67	0.00	9.67 Native Navigation EM-MWD
74	4970.00	30.00	91.00	271.60	4447.41	887.40	57.55	-885.56	4.00	0.00	4.00 Native Navigation EM-MWD
75	5001.00	31.00	91.10	271.60	4446.84	918.38	58.42	-916.54	0.32	0.00	0.32 Native Navigation EM-MWD
76	5032.00	31.00	91.30	270.90	4446.19	949.36	59.09	-947.53	0.64	-2.26	2.35 Native Navigation EM-MWD
77	5064.00	32.00	90.40	270.10	4445.72	981.31	59.37	-979.52	-2.81	-2.50	3.76 Native Navigation EM-MWD
78	5096.00	32.00	90.30	269.50	4445.52	1013.25	59.26	-1011.52	-0.31	-1.88	1.90 Native Navigation EM-MWD
79	5128.00	32.00	89.00	269.30	4445.72	1045.18	58.93	-1043.52	-4.06	-0.63	4.11 Native Navigation EM-MWD
80	5160.00	32.00	88.80	269.10	4446.33	1077.09	58.48	-1075.51	-0.63	-0.63	0.88 Native Navigation EM-MWD
81	5191.00	31.00	88.60	269.00	4447.04	1108.00	57.97	-1106.49	-0.65	-0.32	0.72 Native Navigation EM-MWD
82	5223.00	32.00	89.00	269.00	4447.71	1139.90	57.41	-1138.48	1.25	0.00	1.25 Native Navigation EM-MWD
83	5255.00	32.00	88.90	269.00	4448.29	1171.80	56.85	-1170.47	-0.31	0.00	0.31 Native Navigation EM-MWD
84	5287.00	32.00	88.70	268.50	4448.96	1203.70	56.15	-1202.46	-0.63	-1.56	1.68 Native Navigation EM-MWD
85	5319.00	32.00	89.10	268.80	4449.58	1235.58	55.40	-1234.44	1.25	0.94	1.56 Native Navigation EM-MWD
86	5351.00	32.00	88.80	268.40	4450.16	1267.47	54.62	-1266.43	-0.94	-1.25	1.56 Native Navigation EM-MWD
87	5382.00	31.00	88.00	270.20	4451.03	1298.38	54.24	-1297.41	-2.58	5.81	6.35 Native Navigation EM-MWD
88	5414.00	32.00	88.50	271.20	4452.01	1330.33	54.63	-1329.39	1.56	3.12	3.49 Native Navigation EM-MWD
89	5445.00	31.00	89.20	272.30	4452.63	1361.32	55.57	-1360.37	2.26	3.55	4.20 Native Navigation EM-MWD
90	5477.00	32.00	90.30	273.80	4452.77	1393.31	57.28	-1392.33	3.44	4.69	5.81 Native Navigation EM-MWD
91	5509.00	32.00	91.00	274.00	4452.41	1425.31	59.45	-1424.25	2.19	0.62	2.27 Native Navigation EM-MWD
92	5541.00	32.00	91.30	273.80	4451.76	1457.30	61.63	-1456.17	0.94	-0.63	1.13 Native Navigation EM-MWD
93	5572.00	31.00	91.50	273.10	4451.01	1488.29	63.49	-1487.10	0.64	-2.26	2.35 Native Navigation EM-MWD
94	5604.00	32.00	91.70	273.00	4450.11	1520.28	65.20	-1519.05	0.62	-0.31	0.70 Native Navigation EM-MWD
95	5636.00	32.00	90.10	273.30	4449.61	1552.27	66.95	-1550.99	-5.00	0.94	5.09 Native Navigation EM-MWD
96	5667.00	31.00	89.90	272.60	4449.61	1583.27	68.55	-1581.95	-0.65	-2.26	2.35 Native Navigation EM-MWD
97	5699.00	32.00	90.20	273.40	4449.58	1615.27	70.23	-1613.91	0.94	2.50	2.67 Native Navigation EM-MWD
98	5731.00	32.00	90.20	274.00	4449.47	1647.27	72.29	-1645.84	0.00	1.87	1.87 Native Navigation EM-MWD
99	5763.00	32.00	90.80	273.80	4449.19	1679.27	74.47	-1677.76	1.87	-0.63	1.98 Native Navigation EM-MWD
100	5794.00	31.00	90.70	273.60	4448.79	1710.26	76.47	-1708.70	-0.32	-0.65	0.72 Native Navigation EM-MWD
101	5825.00	31.00	90.70	273.10	4448.41	1741.26	78.28	-1739.64	0.00	-1.61	1.61 Native Navigation EM-MWD
102	5857.00	32.00	91.10	273.40	4447.90	1773.26	80.09	-1771.59	1.25	0.94	1.56 Native Navigation EM-MWD
103	5889.00	32.00	92.00	273.70	4447.04	1805.25	82.07	-1803.51	2.81	0.94	2.96 Native Navigation EM-MWD
104	5921.00	32.00	92.10	273.40	4445.89	1837.23	84.05	-1835.43	0.31	-0.94	0.99 Native Navigation EM-MWD
105	5952.00	31.00	92.20	273.30	4444.73	1868.20	85.86	-1866.36	0.32	-0.32	0.46 Native Navigation EM-MWD
106	5984.00	32.00	92.40	273.30	4443.45	1900.18	87.70	-1898.28	0.62	0.00	0.62 Native Navigation EM-MWD
107	6016.00	32.00	92.60	272.50	4442.05	1932.15	89.32	-1930.20	0.62	-2.50	2.57 Native Navigation EM-MWD
108	6047.00	31.00	92.10	272.80	4440.78	1963.12	90.75	-1961.15	-1.61	0.97	1.88 Native Navigation EM-MWD
109	6079.00	32.00	92.30	272.20	4439.55	1995.09	92.15	-1993.09	0.62	-1.88	1.98 Native Navigation EM-MWD
110	6111.00	32.00	91.10	272.00	4438.60	2027.07	93.32	-2025.06	-3.75	-0.63	3.80 Native Navigation EM-MWD
111	6142.00	31.00	90.30	271.40	4438.22	2058.05	94.24	-2056.04	-2.58	-1.94	3.23 Native Navigation EM-MWD
112	6173.00	31.00	90.20	270.80	4438.09	2089.03	94.84	-2087.03	-0.32	-1.94	1.96 Native Navigation EM-MWD
113	6205.00	32.00	90.10	270.70	4438.00	2121.00	95.25	-2119.03	-0.31	-0.31	0.44 Native Navigation EM-MWD

TVD N/S E/W

68

4506

FORM 3160-5

(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-77855

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME: Icelander

1. TYPE OF WELL: OIL [X] GAS [ ] OTHER [ ]

8. WELL NAME and NUMBER: Arco Chambers #1-AX

2. NAME OF OPERATOR: Alker Exploration LLC

9. API NUMBER: 43-007-31518

3a. ADDRESS OF OPERATOR: 97 North Main Street #2 (P.O. Box 87) CITY Manti STATE UT ZIP 84642

3b. PHONE: (435) 835-424 Office 435.340.0557 Mobil

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL
FOOTAGE AT SURFACE: SWNE 2589' FNL & 1582 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: 28-T15S-13E

11. County or Parish, State: Carbon

12. **CHECK APPROPRIATE BOX (ES) TO INDICATE NATURE OF NOTICE, REPORT, OR DATA**

TYPE OF SUBMISSION

[ ] Notice of Intent	[ ] ACIDIZE	[ ] DEEPEN	[ ] PRODUCTION (START/RESUME)	[ ] WATER SHUT-OFF
[X] Subsequent Report	[ ] ALTER CASING	[ ] FRACTURE TREAT	[ ] RECLAMATION	[ ] Well Integrity
[ ] Final Abandonment Notice	[ ] CASING REPAIR	[ ] NEW CONSTRUCTION	[ ] RECOMPLETE	[ ] OTHER
	[ ] CHANGE PLANS	[X] PLUG AND ABANDON	[ ] Temporarily Abandon	
	[ ] Convert to Injection	[ ] PLUG BACK	[ ] WATER DISPOSAL	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

*

The well will be Plugged and Abandoned

See Attached Scope of Work

RECEIVED
FEB 16 2012
DIV. OF OIL, GAS & MINING

14. I herby certify that the foregoing is true and correct

NAME (Printed/Typed): Steven J. Land — Title: Engineer

SIGNATURE — DATE: 4/10/2011

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved by

Conditions of approval, if any are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon

Title | Date

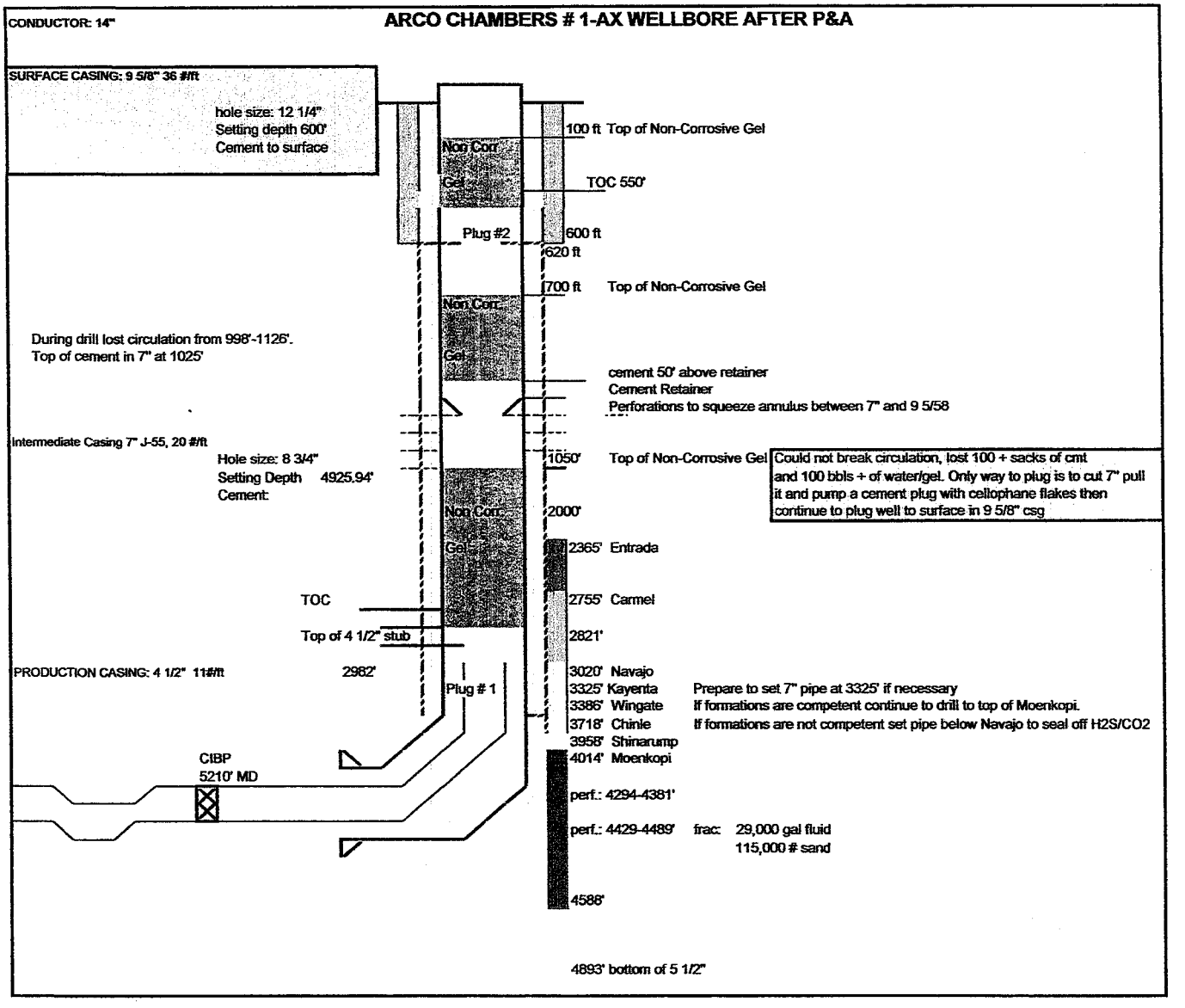
Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United State any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

*U.S. GOVERNMENT PRINTING OFFICE 2001-773 001/46035

DATE OF WORK	DETAIL REPORT FROM PLUGGING THE ARCO CHAMBERS #1-AX DESCRIPTION
3/10/2011	Move In Rig, Rig broke down on way in had to two rig in to location 4 1/2 No Charge Nipple Down wellhead
3/11/2011	Pick tubing run in hole, tag up at 5204', Pull out of hole
3/14/2011	Run Cement Bond Log, Top of Cement behind 4 1/2" casing = 3040', Cut casing away from wellhead flange. Shoot casing off at 2982'
3/15/2011	Lay down 68 joints of 4 1/2" casing Run in hole with tubing to 5204 Per BLM Engineer (Jamie) a retainer must be set, circulation must be broken before any Plugging. This will cost us at least 2 days. And one extra wireline job and a retainer man
3/16/2011	Rig up cement pump, Pump 70 bbls water to break circulation, lost 20 bbls, waiting on more water, pump 15 bbls more broke circulation, Pumped 200 sacks of cement Pulled tubing out of hole, Let cement set for 3 hours, Run in hole to tag cement at 2775' Topped off with non-corrosive gel from 2775'-1000'. Pressure test 7" to 500 psi. Rig up Wireline Truck perforate 7" casing at 1020', Pump 65 bbls to try to break circulation Did not break circulation, set retainer at 1000'. Run in hole with stinger, shut down for night. Plug #1 set from 5204'-2775', Gel plug #1 2775'-1000'
3/17/2011	Sting into retainer, Pump 200 sacks of cement, can't break circulation, flush retainer and perforations. Let cement cure, Pump 100 sacks of cement no returns, Sting out of retainer spot 100 sacks of cement on top of retainer, prepare to cut and pull 7" casing to pump LCM behind the pipe to seal up lost circulation zone. When the 7" casing was run originally the top of the cement fell back to 1050 +/-, there was a lost circulation zone in this area when drilling but it was sealed up. The weight of the cement must have re-opened it when the 7" casing was run and cemented in place. Get welder on location to cut off well head to shoot 7" casing and cut it off in prep. To pull casing. Rig up wireline company cut csg at 826', string weight is about 22,000#, pulled 50,000# casing would not release, shut down for night. Plug #2 1000'-490', Gel Plug from 490' - 124', Plug #3, 124'-surface.
3/18/2011	Rig up wireline cut casing off at 630', Casing crew on location without back up tongs. Need welder to tack every collar. Called Weatherford talked to Gene, he said take the cost of the welder of their bill. Weatherford deducted travel time for leaveing backup tongs Pulled 630' of 7" casing, run in hole with 2 3/8" tubing, spot cement plug from 677' - 511'. Let cement set for 3 hours, Run in hole with tubing to tag cement, cement not set up enough, shut down over night.
3/19/2011	Tagged Cement plug at 574', Pumped a non corrosive plug to surface, broke circulation circulated gel to pit while setting cement plug from 550' to surface. Begin to rig dowm


CONDUCTOR: 14"
ARCO CHAMBERS # 1-AX WELLBORE AFTER P&A
SURFACE CASING: 9 5/8" 36 #/ft
hole size: 12 1/4"
Setting depth 600'
Cement to surface
100 ft Top of Non-Corrosive Gel
Non Corr
Gel
TOC 550'
Plug #2
600 ft
620 ft
700 ft Top of Non-Corrosive Gel
Non Corr
Gel
During drill lost circulation from 998'-1126'.
Top of cement in 7" at 1025'
cement 50' above retainer
Cement Retainer
Perforations to squeeze annulus between 7" and 9 5/58
Intermediate Casing 7" J-55, 20 #/ft
Hole size: 8 3/4"
Setting Depth 4925.94'
Cement:
1050' Top of Non-Corrosive Gel
Could not break circulation, lost 100 + sacks of cmt and 100 bbls + of water/gel. Only way to plug is to cut 7" pull it and pump a cement plug with cellophane flakes then continue to plug well to surface in 9 5/8" csg
Non Corr
Gel
2000'
2365' Entrada
TOC
2755' Carmel
Top of 4 1/2" stub
2821'
PRODUCTION CASING: 4 1/2" 11#/ft
2982'
Plug # 1
3020' Navajo
3325' Kayenta
Prepare to set 7" pipe at 3325' if necessary
3386' Wingate
If formations are competent continue to drill to top of Moenkopi.
3718' Chinle
If formations are not competent set pipe below Navajo to seal off H2S/CO2
3958' Shinarump
CIBP
5210' MD
4014' Moenkopi
perf.: 4294-4381'
perf.: 4429-4489'
frac: 29,000 gal fluid
115,000 # sand
4588'
4893' bottom of 5 1/2"

ENERGY OF THE ROCKIES LLC

97 North Main Street #1

Manti, Utah 84642

Steve@energyoftherockies.com

February 14, 2012

Ms. Rachel Medina

Division of Oil Gas and Minerals
1594 North West Temple
Salt Lake City, Utah 84116

Re: Arco Chambers #1-AX well, P&A Sundry Notice, & Well Completion Report

Dear Marvin,

Enclosed is the Sundry Notice to P&A the Arco Chambers #1-AX well, and the Well Completion Report.

Sincerely,

Steven J. Lund

RECEIVED
FEB 16 2012
DIV. OF OIL, GAS & MINING

Office: (435) 835-4248 Mobile: (435) 340-0557 Fax: (435) 835-4247